

2023 – 24
**ANNUAL
REPORT**
to the ACT Government





Three Rivers by Lynnice Church

Acknowledgement of Country

Icon Water acknowledges the traditional custodians of the Canberra region, the Ngunnawal people, and also recognises other people or families with connection to the ACT and region. We pay our respects to their Elders – past, present and emerging. We recognise and value their continuing culture and the contribution they make to the life of the city and the region. We also acknowledge the First Peoples of the broader region in which we live and work.



12 September 2024

Mr Andrew Barr MLA
Chief Minister
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2600

Dear Chief Minister

We are pleased to present Icon Water Limited's 2023–24 Annual Report.

The report has been prepared in accordance with Section 7D of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by Icon Water Limited.

I certify that information in the attached Annual Report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of Icon Water Limited has been included for the period 1 July 2023 to 30 June 2024.

I hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006* (repealed), Part 2.3 (see section 113, Public Sector Management Standards 2016).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present a copy of the Annual Report to the ACT Legislative Assembly on the second sitting day after the election is held.

Yours sincerely

A handwritten signature in black ink that reads "Carol Lilley".

CAROL LILLEY
Chair
Icon Water

A handwritten signature in black ink that reads "Ray Hezkial".

RAY HEZKIAL
Managing Director
Icon Water



CONTENTS

Transmittal letter	1	Strategic priority: Data governance and management	50
Message from the Chair and Managing Director	4	Strategic priority: Implement the corporate services delivery model	51
Organisation	6	Strategic priority: Development and implementation of an Integrated Water Management Program	52
About us	7	Capital works	54
Our network	9	Corporate governance and accountability	57
Our assets	10	The Board	58
Energy investment	11	The Executive	64
Business Strategy	13	Board and Senior Executive remuneration	67
Water security	14	Risk management	69
Water operations	15	Environmental management	70
Water quality	16	Bushfire risk management	71
2023–24 key performance outcomes	17	Resilience	72
Wastewater operations	19	Internal audit	73
Outlook	20	Territory records management	74
Our strategic priorities: Year in review	21	Fraud prevention	75
Build a safe, innovative and inclusive workplace	22	Freedom of Information	76
Strategic priority: People, health and safety	23	Modern slavery	77
Organisational structure	25	Public interest disclosure	77
Workforce profile	26	Legal services direction	78
Work, health and safety	30	Human Rights Act	78
Enhance customer and community engagement	33	Legislative Assembly Committee inquiries and reports	78
Strategic priority: Strategic customer and community engagement	34	Auditor-General and Ombudsman reports	80
Community engagement	36	Financial reports	81
External education and tour programs	37	Financial management analysis	82
Consultation	38	Icon Water Limited and Controlled Entities	86
Aboriginal and Torres Strait Islander community engagement	39	Icon Distribution Investments Limited	153
Community Support Program	40	Icon Retail Investments Limited	185
Deliver sustainable value for our community and shareholders	42	ActewAGL Joint Venture	216
Strategic priority: Sustainability	43	Appendices	227
Research, development and innovation	46	Compliance statement	228
Strategic priority: 2023–28 price review	48	Omissions report	229
Strategic priority: Digital Strategy	49	Glossary of acronyms	230



MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR

As the ACT's supplier of water and wastewater services, we form part of a long history of people who have proudly served our community for more than 100 years.

Our purpose – to sustain and enhance quality of life – is at the heart of what we do in providing water and wastewater services that are sustainable, safe and secure, and contribute to the wellbeing of our customers and liveability of Canberra and our region. But, as we deliver today, our eyes are always on the horizon as we plan and invest in tomorrow.

The safety and wellbeing of our staff and the community continues to be our highest priority. After extensive employee consultation,

we launched our new values of Care, Courage, Community and Connection in February 2024. Throughout the year we focused on improving the psychological health and safety of our people through our People, Health and Safety Strategy. On the back of our Health and Wellbeing Program, we again received recognition from the ACT Government's Healthier Work Program of our embedded work health and wellbeing plans and strategies.

In May 2023, the Independent Competition and Regulatory Commission (ICRC) considered the investments in our price proposal that will allow us to continue providing reliable water and wastewater services to our community. The ICRC's five yearly price direction enabled us to start delivering on the commitments we made to our customers including future planning, quality drinking water, affordable pricing and

responsive customer service. The price direction has also allowed us to proactively make plans for our ageing infrastructure and mitigate the effects of climate change.

In 2023-24, as part of our efforts to improve the resilience of the ACT's water and wastewater services, we progressed our Integrated Water Management Program (IWMP). This includes three service strategies – the Water System Strategy, Wastewater System Strategy and Non-Drinking Water Strategy. The IWMP will also deliver sustainable value for our community and shareholders and ensure our water and wastewater system services can meet the ACT's future needs. Through various engagement activities, our community has told us they have a clear expectation that we prioritise planning for the future.

As a valued partner in the community, listening and learning from our customers and community

is imperative. In 2023–24, our Let's Talk Water and Wastewater engagement activities drew feedback from the community and our stakeholders for two significant projects – Our Water Future (informing the IWMP) and Understanding Financial Vulnerability. We know that members of our community are facing challenges relating to the cost of living. Our Understanding Financial Vulnerability engagement program will assist us in reviewing mechanisms to support customers with their ability to pay.

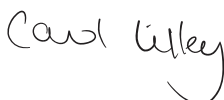
We have progressed the transition of our corporate services arrangements, which have been historically provided by ActewAGL. This included successfully moving several services to be fully managed within Icon Water and appointing a delivery partner to help us design, govern and implement future transitions. The joint development of an integrated program plan will guide our efforts to transition more complex services, which will culminate in a final transition of Information and Communication Technology services in late 2025.

In 2023–24, we have continued to improve data governance maturity with the implementation of our data governance framework and uplifting our data literacy. The continuation of our Digital Strategy has further modernised our technology to support efficient and connected service delivery and customer experience. The migration of digital platforms from ActewAGL to Icon Water and the introduction of additional cyber security initiatives will assist in minimising risks and maximising benefits.

Sustainability is a core consideration in our decisions and activities. In 2023–24, we focused on building resilience to climate change, planning for emission reductions and contributing to a regenerative circular economy. This included the progression of our Climate Change Adaptation Plan and embedding actions that reduce greenhouse gas emissions as part of our eMission Possible Plan on our pathway to net zero by 2045. We continued our focus on resource recovery and recycled more than 80 per cent of our operational waste.

We would also like to acknowledge the tireless efforts and dedication of our outgoing Chair, Wendy Caird, whose tenure ended in August 2024. We thank Wendy for her years of service to Icon Water and wish her all the best for the future.

On behalf of the Board and Executive, we acknowledge the achievements made possible by our staff this year. We are confident we are well placed to deliver the outcomes that our shareholders, customers and community expect of us.



CAROL LILLEY
Chair
Icon Water



RAY HEZKIAL
Managing Director
Icon Water



ORGANISATION

ABOUT US

We are the ACT's supplier of essential water and wastewater services.

We are committed to providing a safe, secure and sustainable water supply for the people of the ACT and the region.

We have been part of the community for over 100 years; sourcing, treating, and supplying water, and managing Canberra's wastewater services. We play a fundamental role in the community – providing essential services that contribute to public health and the future prosperity and liveability of the region.

The current value of our assets is around \$3.4 billion and includes the Territory's network of drinking water dams, water and wastewater treatment plants, reservoirs, water and sewage pumping stations, pipes, and other related infrastructure.

We operate one of Australia's largest inland sewage treatment plants, returning around 70 per cent of the water Canberra uses as high-quality flows to the Murrumbidgee River system to a standard suitable for reuse downstream. Our reliability, expertise and community focus mean we are well placed to provide these essential services, while also protecting the environment.

We differ from most other utilities as we are a water and wastewater business that also holds a 50 per cent investment in the ActewAGL Joint Venture, which provides energy to the ACT and surrounding region. The value of our investment in the ActewAGL Joint Venture is approximately \$1 Billion. Further information on our energy investment is on page 11.

As a territory-owned corporation we have four obligations defined under the *Territory-owned Corporations Act 1990 (ACT)*.

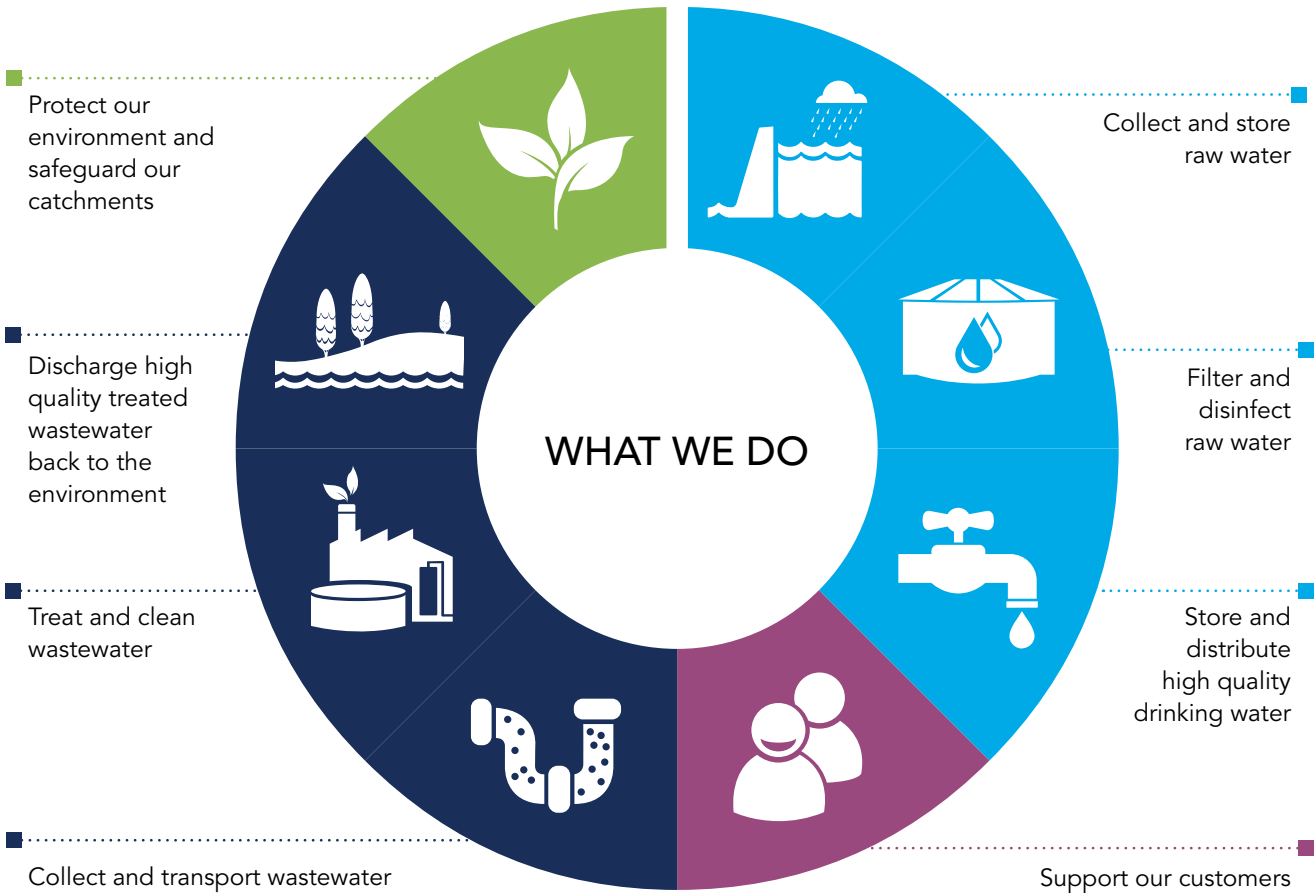
- To operate at least as efficiently as any comparable business.
- To maximise the sustainable return to the territory on its investment in Icon Water and ActewAGL, in accordance with the performance targets in the Statement of Corporate Intent.
- To show a sense of social responsibility by regarding the interests of the community in which we operate, and by trying to accommodate and encourage those interests.
- Where our activities affect the environment, to effectively integrate environmental economic considerations in the decision-making process.

These obligations are met through our three key strategic objectives of: Workplace, Sustainable Value and Customer, and the associated strategic priorities listed on page 13. They also represent key elements of financial, social and environmental sustainability, which are factored into all aspects of our business.

Our essential services support the wellbeing of the Canberra community, particularly in relation to the ACT Wellbeing Framework domains of health, environment and climate, and economy.

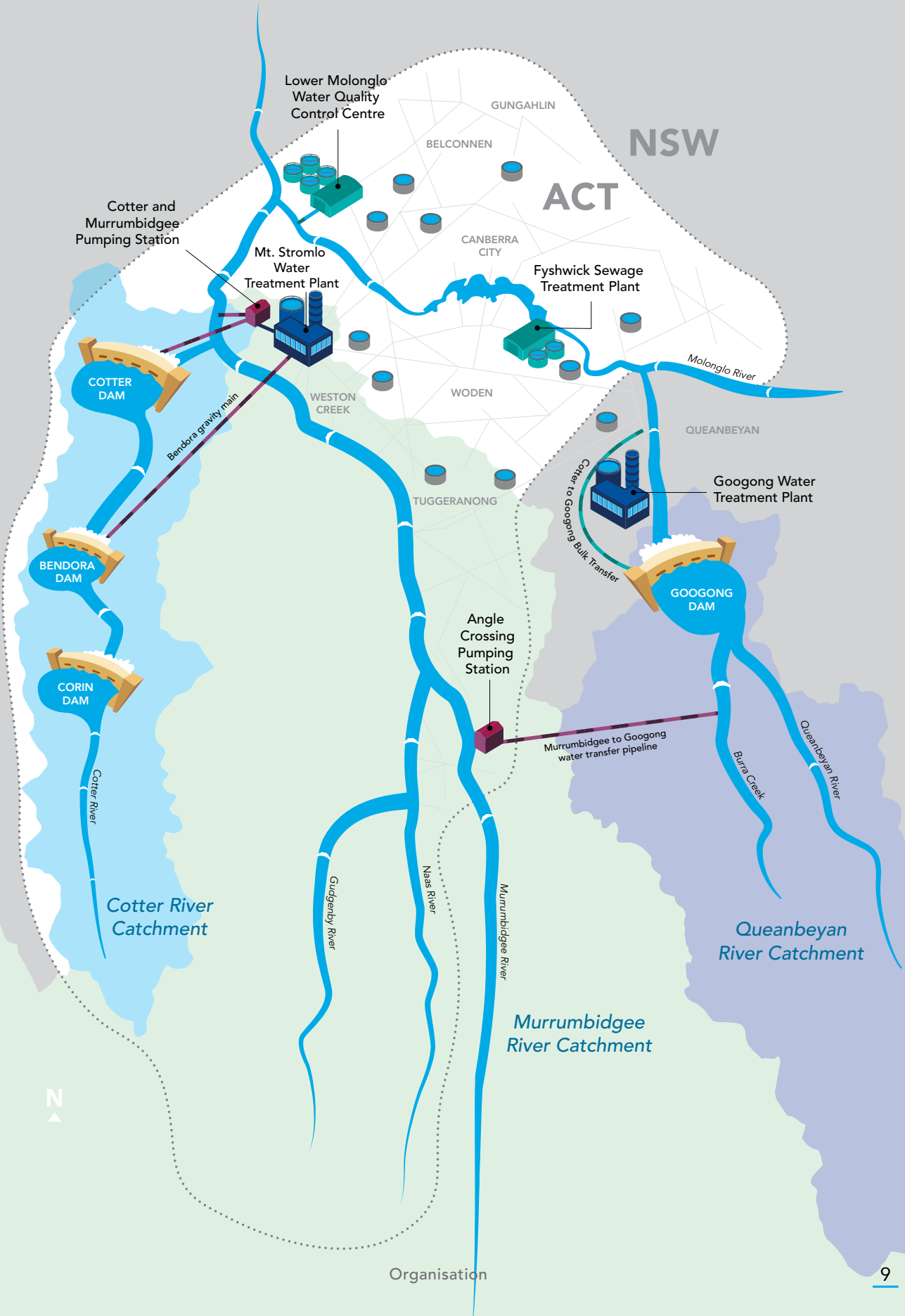


Figure 1: What we do at Icon Water



OUR NETWORK

(WATER AND WASTEWATER)





OUR ASSETS

\$3.4 billion

of water and wastewater related assets



278 GL

Combined dam capacity



3,400km

Network of water pipes



25

Water pumping stations



2

Water treatment plants



50

Reservoirs



3,400km

Network of sewer pipes



27

Wastewater pumping stations



4

Wastewater treatment plants

ENERGY INVESTMENT

Icon Water differs from most other utilities as we also hold a 50 per cent investment in the ActewAGL Joint Venture to provide energy services to the ACT and surrounding regions.

This joint venture was formed in October 2000 between Icon Water (previously ACTEW Corporation) and Australian Gas Light Company (AGL). The result was ActewAGL – the first multi-utility operating as a public private partnership in Australia.

The joint venture comprises two partnerships, ActewAGL Distribution and ActewAGL Retail, with Icon Water participating in both partnerships through its two subsidiary companies: Icon Distribution Investments Limited and Icon Retail Investments Limited. The eight Directors of the Icon Water Board sit on both subsidiary Boards.

ActewAGL Distribution, operating under the brand 'Evoenergy', owns and operates the electricity network in the ACT, and the gas network in the ACT, Queanbeyan region and Shoalhaven in New South Wales. It is a partnership between Jemena Limited and Icon Water via subsidiary companies.

ActewAGL Retail sells energy products and services, managing customer service and marketing functions in a competitive market. The service footprint extends to centres such as Queanbeyan, Goulburn, Yass, Young, Nowra and Bega. It is a partnership between AGL Energy Limited and Icon Water via subsidiary companies.

Our objectives for holding an investment in the ActewAGL Joint Venture are to:

- maximise return for our shareholders
- have regard to the ACT Government's ambitions in relation to liveability, planning, sustainability and climate change, and a commitment to corporate social responsibility (including safety, customer service and customer satisfaction).

The ActewAGL Partnerships Board is comprised of six members: three appointed by AGL/Jemena and three appointed by Icon Water.

As at 30 June 2024, members of the ActewAGL Partnerships Board were:

- Carol Lilley, Icon Water (Chair)
- Julie-Anne Schafer, Icon Water
- Ray Hezkial, Icon Water
- Josephine Egan, AGL (Deputy Chair)
- David Gillespie, Jemena
- Sun Peng, Jemena.

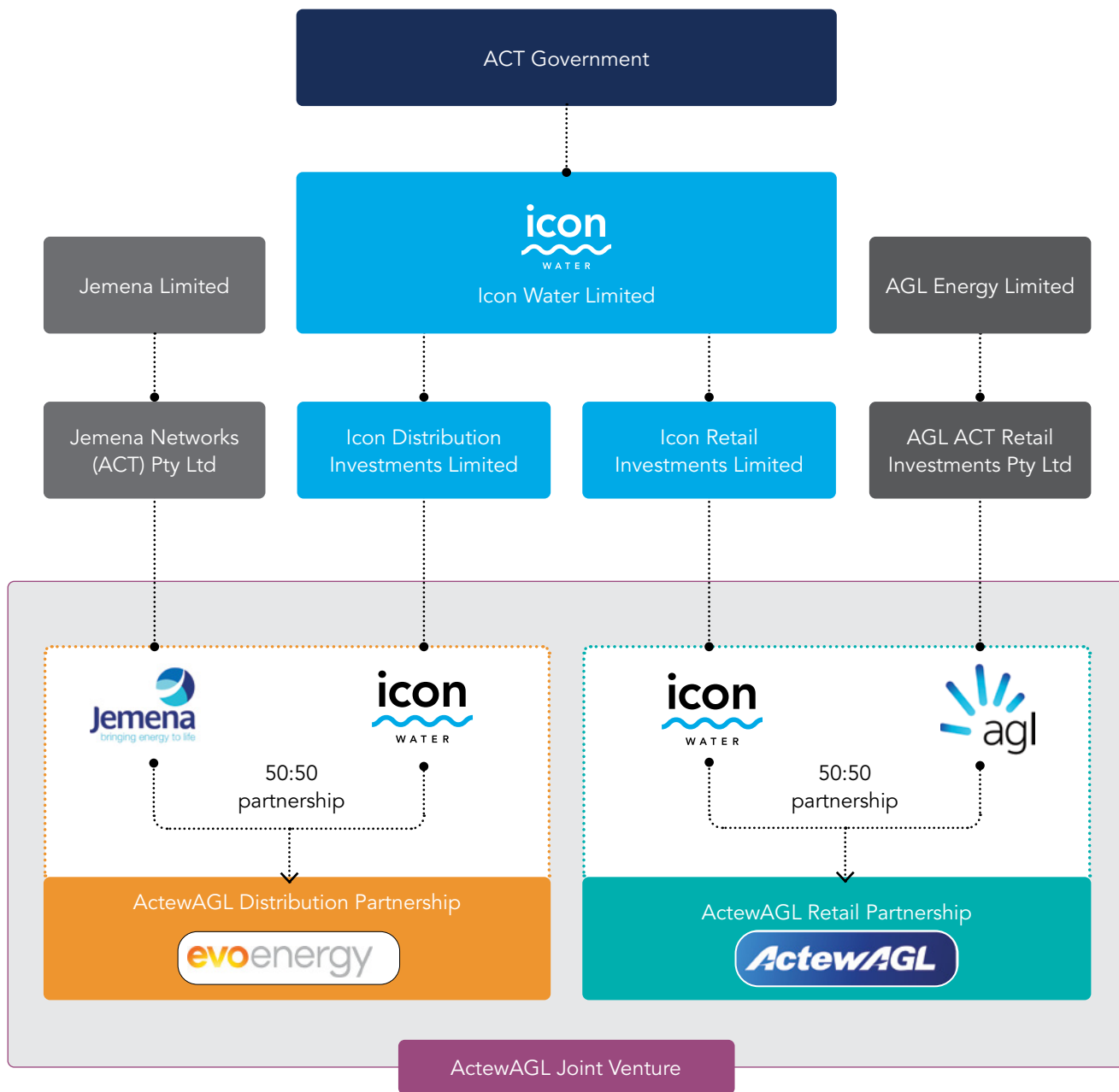
Details of ActewAGL's financial performance for 2023–24 are available in the Financial Reports section. More information on ActewAGL is available at actewagl.com.au.

The ActewAGL Joint Venture, guided by the ActewAGL Partnerships Board, is committed to the ACT Government's ambition to achieve net zero emissions by 2045. Working with the ACT Government, Evoenergy is planning for the expansion of the electricity network to enable the ACT's energy transition while maintaining energy security, reliability and affordability.

ActewAGL Retail is also actively working on a range of initiatives to promote and support efficient energy use including:

- deploying smart electricity meters in the ACT to support residential and commercial customers to better manage their energy requirements and costs
- upgrading existing public electric vehicle (EV) charging points and identifying future sites for additional public charging facilities in the ACT
- making it easier to switch to an EV through an online evHub website which provides a range of solutions to help customers find, charge and finance an EV
- offering 'Electrify with ActewAGL', a one-stop service to support customers with a customised plan to transition from gas to renewable electricity.

Figure 2: The joint venture structure and energy investment brands



Notes: 1) Each of Jemena Networks (ACT) Pty Ltd, Icon Distribution Investments Limited, Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are wholly owned subsidiaries of Jemena Limited, Icon Water Limited and AGL Energy Limited respectively. 2) Jemena Networks (ACT) Pty Ltd and Icon Distribution Investments Limited are equal partners in the ActewAGL Distribution Partnership (AAD). AAD includes energy networks (Evoenergy) and corporate services. 3) Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are equal partners in the ActewAGL Retail Partnership (AAR).

BUSINESS STRATEGY

Our purpose

To sustain and enhance quality of life

Our vision

To be a valued partner in our community

Our core values



Community

Our commitment to community drives our decisions and actions.



Care

We care for ourselves and look out for each other.
We care for Country and the world we leave for future generations.



Courage

We are curious and prepared to challenge ourselves.
We speak up, sharing diverse views.



Connection

We connect with those around us knowing we are stronger together.
We support each other to deliver better outcomes.

Our strategic objectives and domains

Workplace

Build a culture that values safety, innovation and inclusiveness



- People health and safety

Sustainable value

Deliver sustainable value for our community and shareholders



- Asset management
- Operations
- Finance
- Digital
- Sustainability and environment
- Governance

Customer

Enhance customer and community engagement



- Customer and community

WATER SECURITY

2023–24 was very dry from July to October due to the El-Niño and positive Indian Ocean Dipole climate drivers.

Storages fell to 95 per cent in December but unusually high rainfall over the summer period meant storages recovered to 100 per cent by February 2024.

With storages nearly full all year, supply has been predominantly from Bendora Dam, which is our most reliable source and can be distributed without major pumping. Googong Dam and Cotter Dam also contributed to Canberra’s water supply during the year.

The Murrumbidgee to Googong (M2G) pipeline is one of several measures built to strengthen Canberra’s water security following the millennium drought. The pipeline provides diversity in addition to our traditional water sources and can transfer a maximum of approximately 100 million litres (megalitres) of water a day from the Murrumbidgee River into Burra Creek, which then flows into the Googong Reservoir. There are strict guidelines for operating M2G, which include river volumes and water quality. M2G has supplied 324.83 megalitres during 2023-24 through

the course of infrastructure runs. We did not need to use M2G for water sourcing purposes because of the relatively full storages.

Early climate forecasts for 2024–25 indicate a La Niña or neutral ENSO, and Icon Water is anticipating a relatively neutral weather year that is expected to result in storages remaining near full.

Regardless, Icon Water has plans to respond to future dry periods and improve security with operational changes, demand management and infrastructure augmentation. We expect, and are planning for, continued and increasing climate extremes and variability in the future. We are currently reviewing our water security criteria, investigating additional water sources, and undertaking major upgrades to the Cotter Pump Station.

Water security criteria

Icon Water has developed draft levels of service to ensure water security to our customers. These level of service targets are used in our water security planning, and enable us to assess how potential water source options, demand management and operational changes will impact our short- and long term water security. These criteria are currently under

review and will be refined through community and ACT Government consultation before being finalised.

Next water source

Due to population growth and the impacts of climate change, Canberra may require its next water source by 2040. As a result, Icon Water continues to investigate additional major water supply sources. We have considered available options and produced a shortlist that now requires more detailed feasibility studies. We incorporated strategic policy advice from the ACT Government in our assessment of the options. We have commenced the multi-year *Our Water Future* engagement program where we will consult widely with the community and stakeholders, including ACT Government to inform this decision.

Cotter Pump Station upgrade

Major upgrades to the Cotter Pump Station will improve the reliability of this important infrastructure and provide an ability to increase the capacity of water which can be pumped from the Cotter Dam. This work is expected to be completed in 2026. The renewed asset will also enable more efficient pumping and reduce operating and maintenance costs.



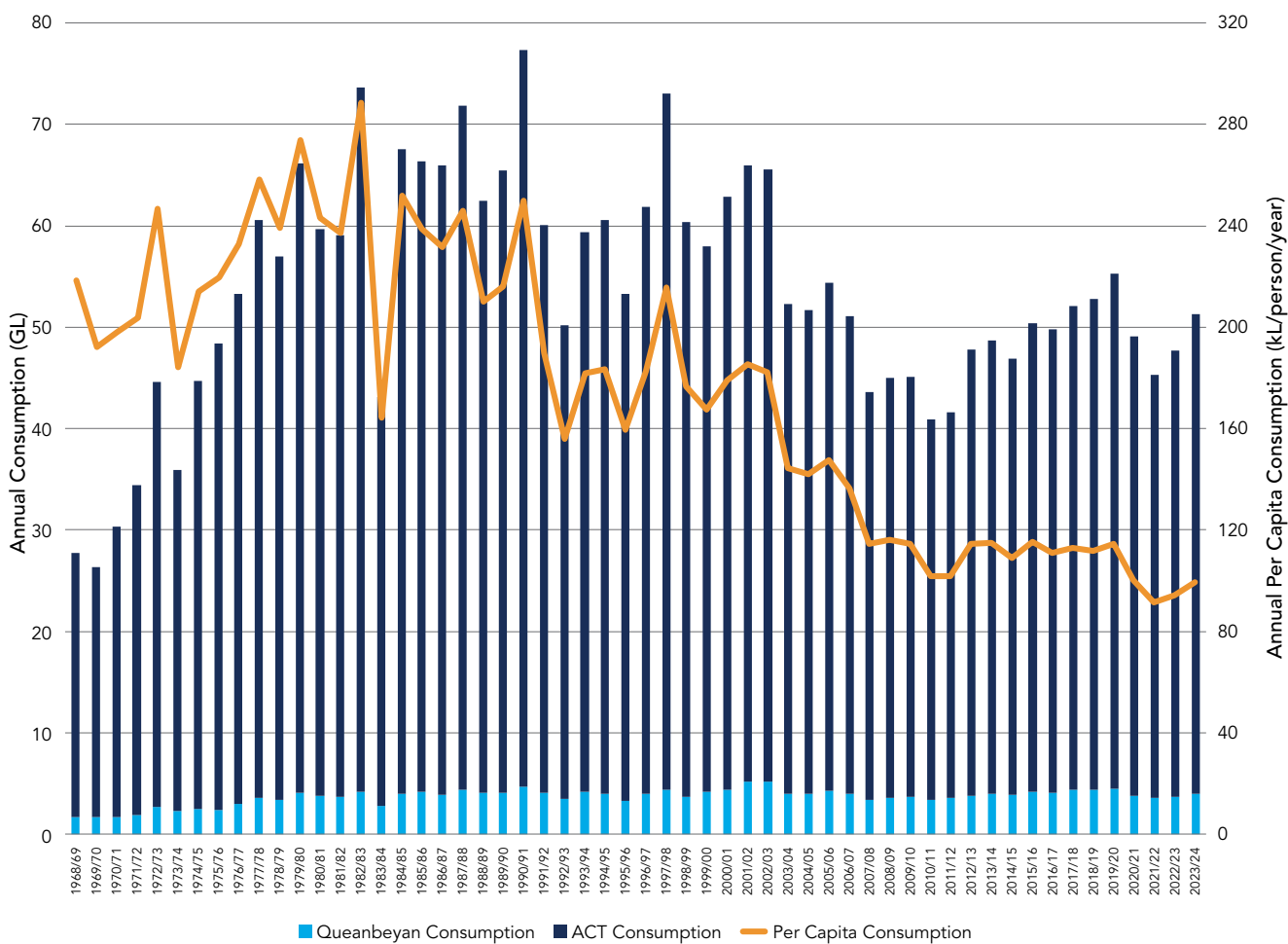
WATER OPERATIONS

Since November 2010, per capita water consumption in Canberra and Queanbeyan has consistently been 35 to 40 per cent lower than it was before the introduction of water restrictions during the millennium drought in 2002.

Rainfall measured at the Canberra Airport for the reporting period totalled 665.2 mm, which was a decrease of 248 mm on the previous 12-month period. Our combined dam capacity was at 97.8 per cent of the total 278 GL volume at 30 June 2024.

Our water treatment plants produced a combined 51 GL of drinking water over the period. Stromlo Water Treatment Plant produced 44 GL, sourced primarily from Bendora Dam, and the Googong Water Treatment Plant produced 7 GL. Googong Water Treatment Plant operated for seven weeks in October, November and December 2023.

Figure 3: Annual water consumption for ACT and Queanbeyan





WATER QUALITY

We provide an average of over 130 million litres of treated water each day and we take the quality of our drinking water seriously.

Our approach to managing drinking water supply is consistent with the framework of the *Australian Drinking Water Guidelines (ADWG) 2011* and in compliance with the *Public Health (Drinking Water) Code of Practice 2007* (the Code). We conduct a comprehensive water quality monitoring program across our supply and distribution systems which informs our operational decisions and through which we verify the quality of customers' drinking water. This quality verification of customer water is published to the community in our Annual Drinking Water Quality Report in compliance with the Code.

There were three events that were notifiable to ACT Health as per the Code during the year; each event occurred in the reticulation system and was investigated and resolved.

We maintained our third-party certification of the Hazard Analysis and Critical Control Point risk management system for water quality management. The recertification was issued in 2023 with no identified issues to be rectified.

2023–24 KEY PERFORMANCE OUTCOMES

Each of Icon Water’s three strategic objectives have performance indicators and targets which were selected to reflect key stakeholder and customer needs and expectations of our business.

These are outlined in Table 1.

We also have regulatory, compliance and performance reporting obligations via the following mechanisms:

- Reporting on various service delivery targets annually in the National performance report: Urban water utilities (published by the Bureau of Meteorology (BOM)).

- Reporting on compliance and performance to the Independent Competition and Regulatory Commission (ICRC) and Utilities Technical Regulator.
- Providing water and sewerage information for the National Water Account (published by BOM).
- Providing the Voting Shareholders with a quarterly report against the Annual Statement of Corporate Intent.

Table 1: Performance outcomes

Strategic objective	Performance indicator	Target	2023-24	
Build a culture that values safety, innovation and inclusiveness	High Severity Incident (HSI)	0 incidents	1 ●	
	Total Recordable Injury Frequency Rate ¹ (TRIFR)	≤14	23.7 ●	
	Notifiable incidents (safety)	0	3 ●	
	Service strikes	<6 per annum	4 ●	
	Good catches ²	>10 per month	241 ●	
	Reduction in excess leave balances	<50 staff with excess leave	38 ●	
	Wellbeing: unplanned leave per employee over a rolling 12-month period	<9 days of unplanned leave per employee	12 ●	
	Gender diversity	Improved proportion of females in non-traditional roles ³		
		▪ 50% females in the leadership roles		49% ●
▪ >10% females in competency-based roles ⁴			4% ●	
	▪ >25% females in STEM roles ³		27% ●	

● Target met ● Target not met but within tolerance ● Target not met

1 TRIFR is described as the number of lost time, medical treatment and restructure work duty injuries per million hours worked averaged over a 12 month period.
 2 Good catches are unsafe hazards or conditions that have been noticed in the workplace.
 3 Non-traditional roles are roles in science, technology, engineering and mathematics (STEM) and competency-based roles.
 4 A review of the KPI’s resulted in new definitions for the reporting of females in competency-based roles and STEM roles.

Strategic objective	Performance indicator	Target	2023-24
Deliver sustainable value for our community and shareholders	Maintain core service levels: safe and healthy drinking water	100% compliance with regulatory requirements as reported to ACT Health	100% ●
		100% compliance with health-related guideline values of the Australian Drinking Water Guidelines	100% ●
	Reliability: completion of planned maintenance works in the water network	>90% planned work completed on water network (includes dams, treatment plants and reticulation)	91% ●
	Reliability: completion of planned maintenance works in the sewer network	>90% planned work completed on sewer network (includes treatment plants and collection system)	96% ●
	Environmental compliance	100% compliance with effluent flow requirements, environmental authorisations, and agreements	100% ●
	Greenhouse gas emissions	Reduction in net CO ₂ -e greenhouse gas emissions equivalent to 1990 levels of 50%-60% by 2025, consistent with interval levels in the ACT Climate Strategy (target 18,487 tCO ₂ e)	17,607 tCO ₂ e ●
	% total waste recycled or reused	Increase the % of total operational waste recycled or reused (>78%)	83% ●
	Shareholder return	\$19.6m (profits available for dividends)	\$nil ●
	Earnings Before Interest and Tax (Water and Energy)	\$128.7m	\$122.9m ●
	Capital expenditure	+/-10% of \$108.2m ⁵	\$69.0m ●
Gearing	Less than or equal to 60%	50% ●	
Enhance customer and community engagement	Maintain core service levels: contemporary and responsive customer service	Survey respondents 'satisfied' or 'very satisfied' with Icon Water: >90%	95% ●
		Percentage of issues resolved at first point of contact: increase over time ⁶	89% -
	Easy to deal with (Customer Effort Score)	Maintain result above 90%	72% ●
	Community perception of Icon Water	Maintain result at or above 65	71 ●
	Prepare and plan for the future	Time in water restrictions (excluding water restrictions called in response to a state or natural disaster): <5% of the time over a five-year period	0% ●
	Maintain core service levels: reliable water and wastewater services	Percentage of connections with >3 water or wastewater interruptions per year: <0.05%	0.045% ●
		Percentage of connections with a water or wastewater interruption >6 hours: <5%	0.25% ●
	Maintain core service levels: response to faults	Average response time between fault logged and crew onsite (mins): <150mins	67 mins ●
Respond to Priority 1 activities ⁷ within 120 minutes: 75%		94% ●	

● Target met ● Target not met but within tolerance ● Target not met

5 Excluding capitalised interest and developer funded component of capital contribution scheme projects.

6 2023-24 is the baseline year.

7 An activity where a customer is experiencing total loss of water supply; a wastewater overflow in a dwelling or property; or an event causing major property damage, personal injury, public health risk or damage to the environment.



WASTEWATER OPERATIONS

Icon Water has environmental authorisations under the ACT's *Environment Protection Act 1997*, which regulates activities with significant environmental risk.

We achieved compliance with authorisations for these sites:

- Lower Molonglo Water Quality Control Centre (LMWQCC)
- Uriarra sewage treatment plant
- Cotter effluent absorption facility
- Canberra sewage network.

For the period 2023–24, LMWQCC, Canberra's primary wastewater treatment plant, processed a total inflow (raw sewage) of 37 GL and returned 34 GL of final effluent (clean, treated water) into the Molonglo River. All effluent was fully treated.

We also recycled approximately 4 GL of treated effluent onsite, predominantly to support operational processes.

The solid product remaining from the thermal treatment of wastewater biosolids is called Agri-Ash. It is used as a soil conditioner by local farmers as part of our 'no opportunity wasted' focus to maximise resource recovery and minimise material to landfill. More than 4,400 tonnes of this commercial product was produced this year.

The product is around 60 per cent calcium-based and is especially useful to correct pH on regional pastures typically grazed by livestock – a safe and economical option for farmers.

The product is routinely tested to ensure it complies with the NSW Environmental Protection Authority licence for its use. This process also makes a significant contribution to the reduction in disposal of waste to landfill.

We have continued our significant capital investment at LMWQCC, upgrading several assets in 2023–24. These are described in more detail in the capital works on page 54.

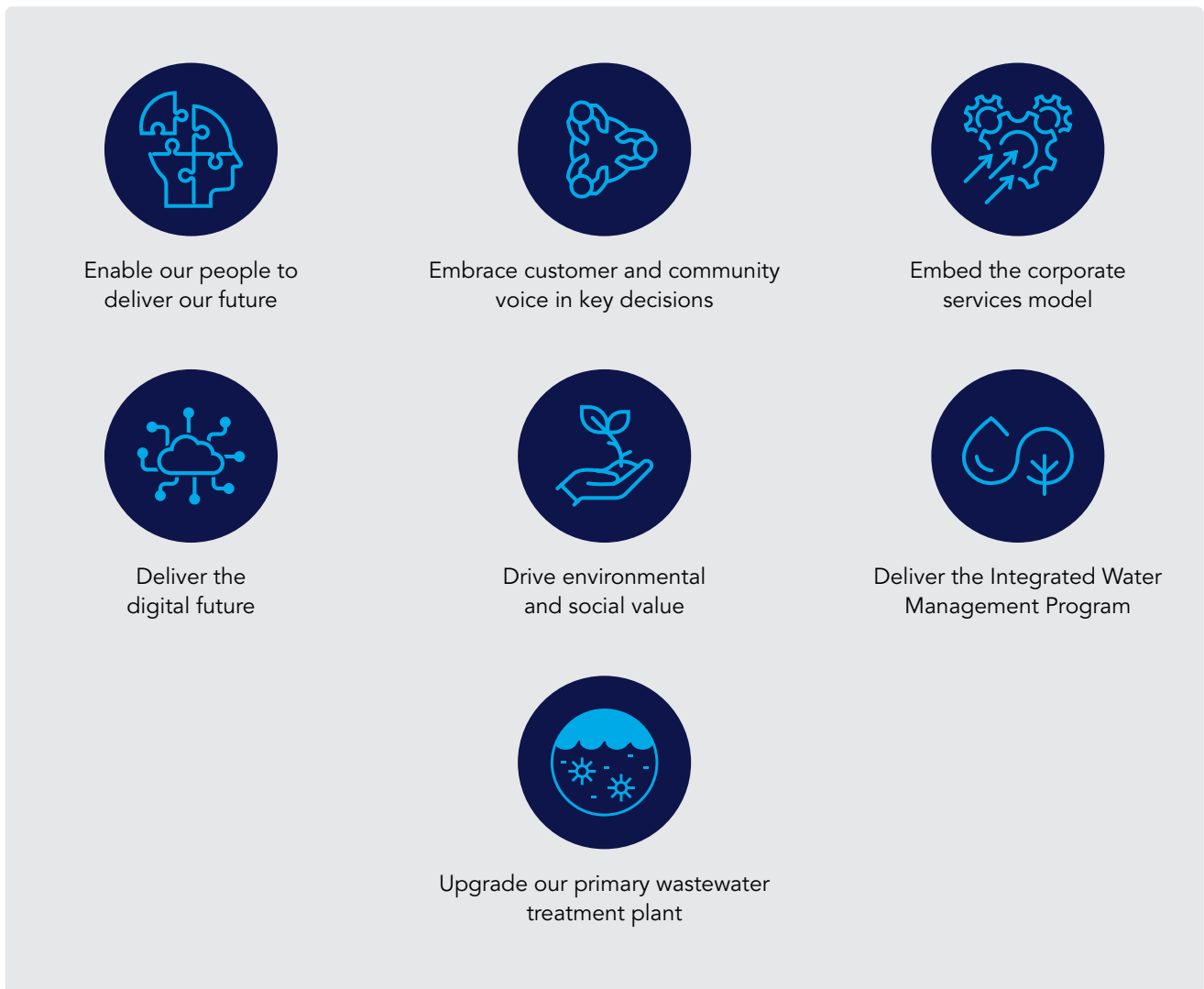
OUTLOOK

Our Business Strategy 2024–25 to 2027–28 outlines how we will achieve our objectives and realise our vision – to be a valued partner in the community.

We will continue to work on our three strategic objectives: to build a culture that values safety, innovation and inclusiveness; to deliver sustainable value to our community and shareholders; and to enhance customer and community engagement.

These objectives are achieved via seven strategic priorities and, during 2024–25 we will continue to focus on these priorities to improve the work we do every day.

Figure 4: Strategic priorities for 2024–25





**OUR
STRATEGIC
PRIORITIES:
YEAR IN
REVIEW**



STRATEGIC OBJECTIVE

BUILD A SAFE, INNOVATIVE AND INCLUSIVE WORKPLACE



STRATEGIC PRIORITY: PEOPLE, HEALTH AND SAFETY

People and culture

In September 2023, non-system dependent human resources functions and services transitioned from ActewAGL to Icon Water's newly formed People and Culture team. The People and Culture team are embedded in the business as human resource strategic and operational partners and have delivered key initiatives including a values refresh, a new provider for the annual employee engagement

survey, a renewed proactive focus on industrial relations, and significant organisational restructures across the business. The transition of system dependent human resource services from ActewAGL is progressing, including the implementation of a human resource and payroll system which is expected to go live in early 2025–26.

Values refresh

Following extensive consultation across the business, we delivered workshops with our employees, senior leadership group and our Board, which led to our new values of Community, Care, Courage and Connection. Our values were launched in February 2024, and underpin the way we approach our work, interactions with others and how we deliver services to support our community.

Figure 5: Our values



Community

Our commitment to community drives our decisions and actions.



Care

We care for ourselves and look out for each other.
We care for Country and the world we leave for future generations.



Courage

We are curious and prepared to challenge ourselves.
We speak up, sharing diverse views.



Connection

We connect with those around us knowing we are stronger together.
We support each other to deliver better outcomes.

Engagement survey

As part of our People, Health, and Safety Strategy, in 2024 we enlisted a new survey provider for our annual engagement survey. The new platform features a wider array of targeted questions to measure employee engagement, and the insights offer a deeper understanding of engagement across the business. Additionally, the platform includes interactive dashboards that enhance our ability to analyse insights.

The annual Employee Engagement Survey was conducted in May 2024, with 89 per cent of our employees participating (an increase on participation in 2023 of 78 per cent). The level of employee engagement, which measures people's connection and commitment to Icon Water, is at 66 per cent across the business. With the new provider, this engagement score will provide us with a new baseline from which to measure. Work is underway to analyse results and identify opportunities for action.

Gender equality

During 2023–24, we continued initiatives to increase female participation in non-traditional roles. Performance indicator targets are in place for gender equality, including the percentage of women in leadership roles, as well as roles that have traditionally had low rates of female participation such as those in the fields of science, technology, engineering and mathematics (STEM) as well as trade and competency-based roles.

Icon Water is developing a gender action plan as part of our People, Health and Safety Strategy 2024-26, which will include targets outlined above. In developing our gender action plan, we have taken into account best practice and industry benchmarks.

Icon Water has a range of procedures and processes that support gender equality, including Flexible Working Arrangements; Breastfeeding in the Workplace; Workplace Support for Domestic and Family Violence and the Sexual Harassment procedure. The Enterprise Agreement 2022 includes further support for gender equality, such as 18 weeks paid primary carer parental leave and four weeks paid secondary carer's leave (including adoption); and leave provisions to support staff in the event of miscarriage, pre-term birth and stillbirth. Icon Water pays voluntary Employer Superannuation on paid parental leave.

We have begun developing our Employee Value Proposition (EVP), which will outline our employee experience and how Icon Water positions itself as an employer of choice. This initiative aims to attract and retain women in non-traditional roles and to appeal more broadly across the community and as a leading water industry organisation. The EVP will be informed by extensive research on best practice, and workshops to gain input and participation from staff at all levels.

Joint Consultative Committee

In the past year, we have significantly enhanced consultation and engagement with staff through our Joint Consultative Committee (JCC). The JCC has been one of several structured consultation platforms where management and employee representatives can discuss workplace issues and collaboratively develop solutions. We have specifically focused on a Forward Work Plan to ensure that industrial issues raised prior to and during Enterprise Agreement bargaining are addressed and actioned.

Through our regular JCC meetings, we have worked to ensure the voices of employees are heard and considered. The trust and mutual respect developed through these interactions is pivotal in driving our organisational goals and maintaining industrial harmony.

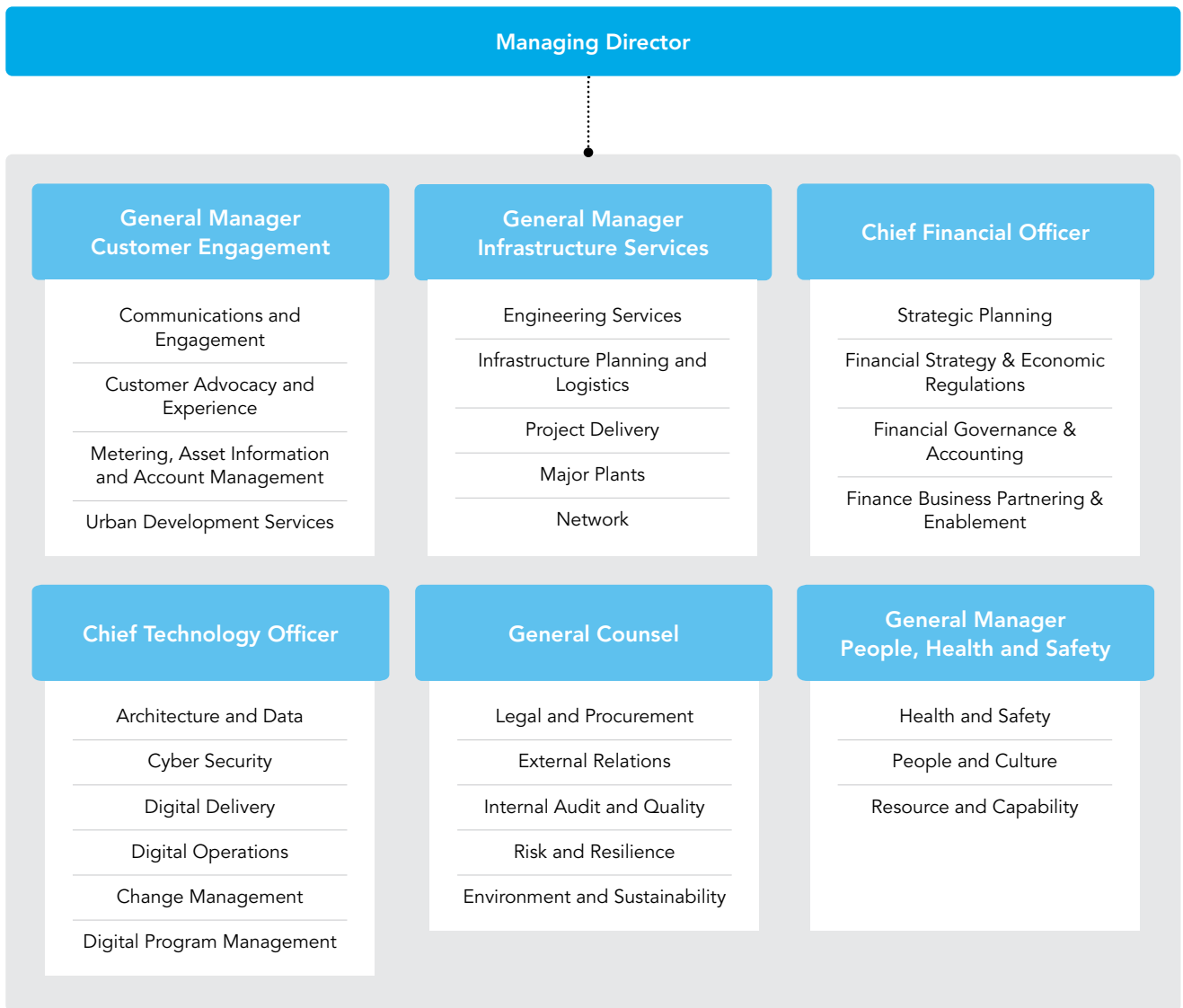
The introduction of the JCC Deputy Chair presenting directly to the Board has been successful in fostering greater transparency and ensuring that employee concerns and insights are directly communicated to our highest level of leadership. By prioritising consultation and engagement, we are building a more inclusive and responsive workforce better equipped to meet our employees' needs.

ORGANISATIONAL STRUCTURE

Our organisational structure has six groups, each led by an executive. As of June 2024, we have 483 employees (477 full time equivalent).

We review our organisational profile and staffing requirements as part of our budget planning to ensure our operations remain prudent and efficient.

Figure 6: Icon Water’s organisation chart



WORKFORCE PROFILE

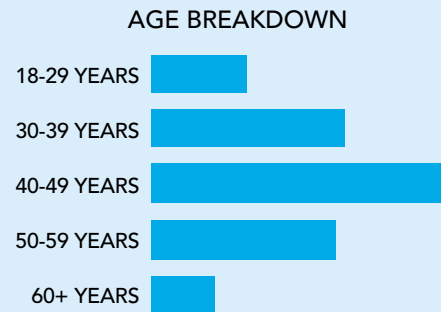
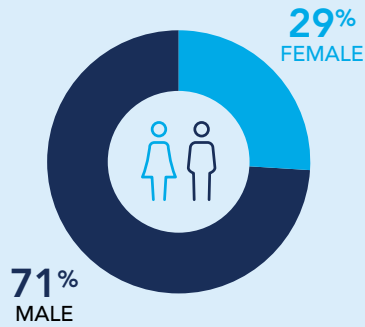


Table 2: Staff profile by employment type and gender

	Female	Male	Total
Full time equivalent (FTE)	134	343	477
Headcount	139	344	483
% of workforce (based on headcount)	29%	71%	100%

Table 3: Staff profile by employment category and gender (headcount)

	Female	Male	Total
Casual	1	0	1
Permanent full-time	100	320	420
Permanent part-time	19	6	25
Temporary full-time	18	18	36
Temporary part-time	1	0	1
Total	139	344	483

Table 4: Staff profile by age groups and gender (headcount)

	Female	Male	Total
18-29 years	18	38	56
30-39 years	43	70	113
40-49 years	47	122	169
50-59 years	27	81	108
60 years and over	4	33	37
Total	139	344	483



Table 5: Staff profile by average years of service by gender (headcount)

	Female	Male	Average
Average years of service	5.6	9.5	8.4

Table 6: Workforce gender composition by occupation

	Female	Male	Total
Manager (Branch Manager and above)	3%	4%	7%
Non-Manager (Team Leader and below)	25%	68%	93%

Table 7: Gender profile of employment-related activities

	Female	Male
Recruitment: candidates	27%	67% ⁸
Recruitment: appointments	44%	56%
Promotions	24%	76%
Retention following parental leave*	100%	100%
Resignations	45%	55%

*Includes both Primary Carer's and Secondary Carer's Leave

Table 8: Staff profile by equity and diversity groups (headcount)⁹

	Number	Percentage
Aboriginal and Torres Strait Islander	6	1.2%
Culturally and linguistically diverse	46	9.5%
People with disability	6	1.2%
Total	58	12.0%

⁸ 6% non-disclosed

⁹ Based on information currently available. Icon Water is working to improve the collection of workforce diversity data for future profiling and reporting.

Table 9: Gender pay gap

	Female annual median salary	Male annual median salary	Gender pay gap ¹⁰
Executives ¹¹	\$367,777	\$387,431	5.1%
Manager Service Agreement – Fixed Annual Remuneration	\$250,238	\$253,043	1.1%
Level 2	\$84,324	\$89,313	5.6%
Level 3 Zone A	\$104,897	\$103,744	-1.1%
Level 3 Zone B	\$115,314	\$122,374	5.8%
Level 4 Zone A	\$137,523	\$145,652	5.6%
Level 4 Zone B	\$171,949	\$178,877	3.9%
Level 5 Zone A	\$194,015	\$194,955	0.5%
Level 5 Zone B	\$219,867	\$211,620	-3.9%
Level 6	\$234,410	\$233,512	-0.4%
Water – Electrical Fitter		\$128,241	
Water – Instrumentation Technician		\$153,961	
Water Industry Operator Network Maint Levels A		\$148,195	
Water Industry Operator Network Maint Levels B		\$126,051	
Water Industry Operator Network Maint Levels C		\$98,932	
Water Industry Operator Treatment Level 2		\$158,121	
Water Industry Operator Treatment Level 3		\$181,173	
Water Industry Operator Treatment Level 4		\$203,955	
Water Industry Operator Treatment Level (Senior)		\$243,484	
Overall	\$147,559	\$156,383	5.6%

10. Gender pay gap calculated using Workplace Gender Equality Agency (WGEA) methodology for 2023-24. Classification levels have been combined or excluded where the median salary represents a single or small number of employees to protect the privacy and anonymity of these employees. All classification levels are included in the overall totals and gender pay gap. The above figures represent total remuneration. The overall gender pay gap for base salaries is -0.6% (i.e. female median base salary is higher than the male median base salary).

11. Executive salaries are reviewed annually and benchmarked against similar organisations. Differences between male and female salaries within classification levels are due to length of service or seniority and traditionally male roles, such as competency-based and trade roles, attracting higher levels of allowances and overtime.

Table 10: Staff by classification and gender

	Number			Percentage	
	Female	Male	Total	Female	Male
Executives	3	4	7	43%	57%
Manager Service Agreement – Fixed Annual Remuneration	4	5	9	44%	56%
Non-Manager Legacy Agreement	0	1	1	0%	100%
Level 1 Trainee	0	1	1	0%	100%
Level 2 Zone A	1	1	2	50%	50%
Level 2 Zone B	2	8	10	20%	80%
Level 3 Zone A	18	15	33	55%	45%
Level 3 Zone B	17	31	48	35%	65%
Level 4 Zone A	34	82	116	29%	71%
Level 4 Zone B	30	49	79	38%	62%
Level 5 Zone A	16	30	46	35%	65%
Level 5 Zone B	6	13	19	32%	68%
Level 6 Zone A	2	6	8	25%	75%
Level 6 Zone B	2	4	6	33%	67%
Water – Electrical Fitter ¹²	1	5	6	17%	83%
Water – Instrumentation Technician ¹³	1	3	4	25%	75%
Water Industry Operator Network Maint Level A	0	29	29	0%	100%
Water Industry Operator Network Maint Level B	0	15	15	0%	100%
Water Industry Operator Network Maint Level C	2	11	13	15%	85%
Water Industry Operator Treatment Level 2	0	10	10	0%	100%
Water Industry Operator Treatment Level 3	0	11	11	0%	100%
Water Industry Operator Treatment Level 4	0	5	5	0%	100%
Water Industry Operator Treatment Level (Senior)	0	5	5	0%	100%
Total	139	344	483	29%	71%

12. Based on classification level and does not reflect the total number of Electrical Fitters.

13. Based on classification level and does not reflect the total number of Instrumentation Technicians.



WORK, HEALTH AND SAFETY

Throughout the year, we focused on improving the physical and psychological health and safety of our people.

We have progressed our objectives and actions identified by the People, Health and Safety Strategy 2022–23 to 2023–24 (PHS Strategy) and the continuous improvement to our AS/NZS ISO45001 certified Health and Safety Management System.

The PHS Strategy, now in its second year, focused on four areas to improve health and safety:

- Leadership – we model behaviours that enable positive people, health and safety outcomes.
- Culture – we grow skills, capability and behaviours that promote a positive culture.
- Performance – we have people, services and systems that are user-centric and outcome-driven.
- Wellbeing – we support our people to develop skills and confidence in effective self-management of their health and wellbeing.

Incidents and injuries

There were 100 health and safety incidents recorded in 2023-24. Of these, one was high severity, 37 were medium severity and 62 were low severity.

Three notifiable incidents were reported to WorkSafe ACT, the same as the previous year. All incidents prompted thorough investigation with corrective and preventive actions implemented in a timely manner.

Worksafe ACT issued two prohibition notices to Icon Water on 5 June 2024 in relation to a site inspection that identified inappropriate control measures for excavation work and fall protection control. No injuries were sustained, or equipment damaged but the incident had the potential for a significant injury to Icon Water workers or the public. Upon issuing of the notices, Icon Water immediately ceased work and made the worksite safe and

addressed the issues related to the two prohibition notices in a timely matter in consultation with WorkSafe ACT who subsequently lifted the prohibition notices.

Key learnings from incidents continue to be shared across the business to improve health and safety outcomes.

This year there were 18 recordable injuries including 12 Lost Time Injuries, four Medical Treatment Injuries and four Restricted Work Duty Injuries. Most of these injuries continued to be low severity musculoskeletal injuries from undertaking manual work. Our Total Recordable Injury Frequency Rate has decreased slightly to 22.4.

Good catches

The 'Good catch' program (our hazard and opportunity reporting program) has improved significantly as the business matures in its preventative reporting culture. There were 242 good catches reported this year, a 39 per cent increase compared to last year. On average, 20 good catches were reported monthly, exceeding our target of over 10 reports per month. We addressed and closed 213 good catches this year, which is an increase from 159 good catches closed last year.

In minimising emerging risks, we also introduced confidential good catch reporting. This enables and empowers our workers to confidentially report psychosocial hazards/opportunities and hazards with sensitive information.

Service strikes

A service strike is striking an active underground or overhead utility asset that supplies electricity, communications, gas, water or wastewater services. There were four service strikes associated with activities undertaken by Icon Water this year. This has met our target of not striking a service more than six times a year.

Health and Safety Management System

We continued to improve our ISO45001 certified Health and Safety Management System (HSMS).

We successfully implemented our improved Health and Safety Committee (HSC) structure, which shows significant improvements in health and safety consultation and participation among our workers, their Health and Safety Representatives (HSRs) and management. We also enhanced our health and safety inspection program, and our HSCs implemented scheduled workplace inspections across multiple work sites during the year.

Inherently High-Risk Activity (IHRA) inspections have been revitalised by our Health and Safety Team to ensure the implemented controls for these activities remain effective.

The executive and leadership team proactively conducted and participated in our Safety Connect Visit Program to connect with our workforce and hear their input and feedback into health and safety management issues and opportunities.

To enable easy access and recording of inspections, we implemented a tailored health and safety inspection software tool. This allows all parts of business to learn from the outcomes of inspections.

Through the PHS Strategy we also delivered improvements on the HSMS across leadership, culture and performance objectives:

- We reviewed and improved our flagship behaviour program, 'Switch On', to incorporate feedback from our workers and align with our new corporate values.
- We published our Health and Safety Dashboard showing real-time health and safety performance. The dashboard captures incident, good catch and inspection trends and is available to all staff.
- We introduced a Health and Safety System Support portal with video demonstrations and written resources to ensure our workers have access to system assistance whenever they need it.
- We revised our fatigue management practices resulting in a new Fatigue Risk Assessment Tool that was rolled out with training to support effective and evidence-based approaches to fatigue management.
- We revised our injury management practices incorporating best practice and legislative requirements after successfully transitioning Injury Management Services from ActewAGL to Icon Water and improving our Management of Injured or Ill Employees procedure. We also published a supporting intranet site, so managers and workers can respond more quickly and consistently.
- We developed and consulted on our Health and Safety Hazard and Risk Management procedure as well as our Psychosocial Risk Management process for implementation in the upcoming year.

Health and Wellbeing Program

Our 2023–24 Health and Wellbeing Program has continued to focus on enhancing, maintaining and protecting the health and wellbeing of our workers. It provides the roadmap for meeting the objectives of the broader PHS Strategy regarding wellbeing, and contributes to aspects of our leadership, culture and performance objectives. The program was recognised by the ACT Healthier Work Program at Platinum Status in 2024 (see case study on page 32).

This year we:

- Continued to implement the Icon Water Psychological Health Framework. The framework provides resources and training to identify and control psychological hazards and risks into our health and safety systems and practices, as well as psychological safety and mental health self-care.
- Continued to build our Colleague Support Network, an employee-led network that provides support and guidance across the business. The network grew substantially, and completed training in Mental Health Crisis Support and Aboriginal Mental Health First Aid.
- Continued to provide onsite and community-based health and fitness resources including physiotherapy, subsidised gym memberships and ergonomic assessments for computer workstations, home based work, vehicle ergonomics and other workspace design.
- Secured agreement from our Workers Compensation Insurer to support the ongoing development of a detailed tasks library. This will allow us to better manage the risks associated with manual tasks, including placing injured workers more quickly into suitable and meaningful roles while they recover.
- Provided training and expert advice on safe manual task performance, psychological health and safety, mental health self-care, fatigue management, injury management, ergonomics and workplace design.
- Developed and published health and wellbeing resources on planning for retirement, healthy sleep, managing shiftwork, quitting smoking, Indigenous health, emotional fatigue and home ergonomics.
- Progressed the development of a comprehensive Disability, Diversity and Inclusion Framework and five-year Action Plan to establish a durable, consistent, measurable and evidence-based approach to diversity and inclusion. We have recently started an LGBTQIA+ Network and will continue to support further peer and community networks in this space.

CASE STUDY

Platinum-level recognition in the ACT Government Healthier Work Program

Icon Water has joined the Healthier Work Program (healthierwork.act.gov.au) – a recognition and resources scheme for ACT workplaces to promote health and wellbeing across the ACT. Participation also gives us access to resources and support for ongoing best practice for employee health and wellbeing.

Having reached Gold level in the Healthier Work program in 2023, further advances are necessarily ambitious which is why we are so thrilled to have now received Platinum level recognition in 2024 for our ongoing work. This recognition emphasises the value of a structured and visible Health and Wellbeing Program that ensures a responsive, holistic and evidence-based approach to promoting health for Icon Water employees.





STRATEGIC OBJECTIVE

ENHANCE CUSTOMER AND COMMUNITY ENGAGEMENT



STRATEGIC PRIORITY: STRATEGIC CUSTOMER AND COMMUNITY ENGAGEMENT

We are committed to delivering quality products and services that our customers and community value. This commitment is reflected in our strategic objective to enhance customer and community engagement.

We care about what our customers think, and we show this by listening to understand customer needs and seeking their feedback on our services and planning.

During 2023–24, we received over 70,000 customer calls (including faults and emergencies, accounts and general enquiries).

We are committed to appropriate quality assurance, consistency in billing practices, and clear and helpful communication across every channel.

A survey of 301 residential households and 203 businesses indicated that 95 per cent of our customers are satisfied with our services. Our drinking water continues to be highly regarded with 91 per cent of our customers satisfied with the quality.

Let's Talk Water and Wastewater

Our Let's Talk Water and Wastewater engagement activities are designed to support a deeper understanding of our customers and inform our strategic priorities and investment decisions.

We have partnered with highly experienced external experts to ensure effective and robust design and delivery of research and engagement activities. Our engagement activities have spanned a range of techniques including surveys, focus groups, interviews, deep dive deliberative processes and panels.

Our customers have told us they have clear expectations and priorities for how we plan and invest. Water security, environmental sustainability, maintaining quality, maintaining long-term affordability, innovation and being more visible in the community are the key areas of focus for our customers.

Our 2023–24 program engaged the community and stakeholders in two significant projects: *Our Water Future*, and *Understanding Financial Vulnerability*.



We are currently considering a range of options to improve our water security which include future water source infrastructure options, demand management initiatives such as the ACT's Permanent Water Conservation Measures (PWCM) and Temporary Water Restrictions (TWR), and service levels (see Water security on page 14 for more information).

This year we completed the first of four phases of the Our Water Future engagement program. A citizens' panel was formed and over the course of two sessions we explored water security knowledge, ideas around service levels, and the levels of acceptability of different scenarios for implementing water restrictions.

The panel provided input to the criteria that could be used to evaluate a long list of future water augmentation options and explored a shortlist of solutions. Future phases of the engagement program will include further sessions with the panel.

We also reached out to our customers and the community through quantitative surveys and interviews with water-dependent businesses and key high-volume consumers.

Insights from Phase 1 have helped us understand preliminary customer and community views to inform our input into the ACT Government's refresh of the ACT Water Strategy, our initial planning for review of TWRs and PWCMs, and refinement of the future water source options assessment, including a recommendation on a shortlist of options for more detailed assessment.

Phase 2 will begin in late 2024 and will support finalisation of a shortlist of water supply options and prepare viable water source solution portfolios, including demand management initiatives.

Our Understanding Financial Vulnerability program is part of our work to support customers who are experiencing financial difficulty. We have consulted with customers and the community to better understand impacts and experiences in the local context.

A primary objective was to ensure our current financial hardship program is effective in meeting customer needs as we review and refine programs that support our customers and their ability to pay.

We engaged over 1,030 customers using a range of techniques including a survey of Staying Connected hardship program customers, a separate survey of our broader customer base, stakeholder interviews with advocacy organisations and individual interviews of customers with lived experience. Overall, we found that our hardship support is working well. At the same time, there are some areas of opportunity that span broader investment decisions, terminology, support options, earlier intervention points and flexible engagement approaches. These insights will now help inform a broader review of our customer support activities in the coming year.



COMMUNITY ENGAGEMENT

Our external education and community support programs are an integral component of our vision 'to be a valued partner in our community.'

We inform and educate the community about our services for two primary reasons:

- to encourage behaviour change by highlighting the impacts (financial, environmental and safety) of individual behaviours on our network services
- to increase community water and wastewater knowledge by building an understanding of water supply catchments, the wastewater network and our role as Canberra's water and wastewater utility.

To build knowledge we provide information, and where possible, access across our infrastructure to schools, tertiary institutions and community organisations. Information is also available to the community through our website and social media channels including Facebook, X (formally known as Twitter), Instagram, LinkedIn and YouTube.



EXTERNAL EDUCATION AND TOUR PROGRAMS

Our education program provides water and wastewater knowledge building opportunities for local students (primary, secondary and tertiary) along with industry and community groups.

Key areas of focus include building awareness of the ACT and Queanbeyan urban water network including source water protection, water quality, water and wastewater treatment process, the impacts of wet wipes and sanitary products on the wastewater network through the Free the Poo campaign, catchment management, the importance of PWCM and long-term sustainable water use, and the urban water cycle.

To support a flexible learning model, we offer a hybrid education program, incorporating digital webinars, face-to-face sessions and tours of our major plants.

Our digital resources continue to be well received with over 59,000 visits to the water education section of our website this year. Due to this demand, we continue our focus on developing relevant and informative digital materials. Our resources include a growing series of downloadable factsheets and engaging activities to support learning for primary (K-2, 3-6) and secondary (7-12) students. STEM events and tours to water and wastewater treatment plants for secondary and tertiary students and industry stakeholders supported our water and wastewater knowledge building goals with over 7,500 participants from the Canberra and Queanbeyan communities.

Unlike the dams within the Cotter catchment, the Googong Dam is publicly accessible for limited recreational activities. As the Googong community continues to grow we maintain our focus on protecting the quality of the Googong catchment area. We provide information on acceptable recreation activities to residents and visitors, and work closely with key stakeholders including ACT Parks and Conservation, the Googong Township Group and Queanbeyan-Palerang Regional Council.

Other communication activities to build literacy around source water protection include information stands at events, social media and key messages in community newsletters.

CONSULTATION

Table 11: Consultation undertaken in 2023–24

Project	Consultation Process (tools used)	Groups or Individuals consulted	Approx. number consulted	Outcome
School and community education program	<ul style="list-style-type: none"> Education sessions about urban water cycle, Icon Water assets and treatment processes Digital school presentations Education program newsletter Use of website education materials 	<p>ACT and Queanbeyan primary and secondary schools</p> <p>Tertiary groups – universities, CIT</p> <p>Industry delegates</p> <p>Community groups and individuals</p> <p>ACT Government</p>	<p>57 tours and education sessions provided to 4,848 people</p> <p>10 STEM education events 7,500 people</p> <p>3 newsletters</p> <p>59,964 water education web page visitors</p>	<p>Increased awareness of our water catchments, the urban water cycle and network</p> <p>Increased understanding of water quality and treatment processes, sustainability, conservation and wastewater drain care</p> <p>Contributed to various tertiary areas of study including STEM, environment, history, geography, plumbing</p>
Community engagement and awareness program	<ul style="list-style-type: none"> Participation at local events such as Floriade Community and Lifeline’s Bookfairs Community group talks Advertising Articles in publications Flyers and brochures Social media Website Media releases 	<p>ACT residents and visitors</p> <p>Interstate water industry operators and local trade community</p> <p>Website and social media users</p>	150,000+	<p>Relationship and awareness building</p> <p>Increased knowledge of services available and importance of individual responsibility in relation to the network (water consumption, drain care etc.)</p>
Brand awareness and engagement	<ul style="list-style-type: none"> Promotion of Icon Water as Canberra’s water and wastewater provider through partnerships, media, social media, website, stakeholder and sponsorship engagement 	Customers and community	<p>Website: over 562,000 unique visits</p> <p>Social media: 1,340,000 impressions</p>	Relationship building, education, community support and increased brand awareness
Let’s Talk Water and Wastewater Strategic Engagement Program – Understanding Financial Vulnerability	<ul style="list-style-type: none"> Surveys Interviews with community organisations Interviews with customers with lived experience Stakeholder interviews 	Customers and community	Online survey with participation by 1,033 people	Customer feedback and insights help us better understand our customers’ experiences of hardship to underpin future strategic and investment decisions, and ensure we provide affordability and support customers experiencing short- or long-term financial difficulty
Let’s Talk Water and Wastewater Strategic Engagement Program – Our Water Future	<ul style="list-style-type: none"> Surveys Citizens’ Panel Interviews with water-dependent businesses Interviews with key customers Stakeholder interviews 	Customers and community	<p>Online survey with participation by 1,300 customers</p> <p>Citizens’ panel: 22 community members</p> <p>Water dependent businesses: 11 customer interviews</p> <p>Key account customers: 11 customer interviews</p>	Community education and feedback on water security knowledge, understanding customer and community ideas around service levels, and the levels of acceptability of different scenarios for implementing water restrictions and exploring a shortlist of future water source solutions.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY ENGAGEMENT

As the ACT and region's primary provider of drinking water and wastewater services, we celebrate the rich Aboriginal culture of the Canberra region and take our responsibility to yindumara (respect) very seriously—particularly in relation to the environment and waterways under our stewardship.

Our commitment to learning from First Nations people with a connection to the region continues to grow as we incorporate traditional land management practices into our operations.

During 2023–24 we advanced several reconciliation actions:

We launched a pilot program for Aboriginal Mental Health First Aid training, providing several staff with critical skills and knowledge to better support and protect the mental health of First Nations employees. This program will continue with ongoing training sessions, ensuring our employees are equipped to address the unique mental health challenges faced by Aboriginal communities and to foster a culturally safe and supportive environment.

In partnership with the Upper Murrumbidgee Catchment Network, we supported a Cultural Burn at our Williamsdale Biodiversity Offset property. This event was attended by ACT Government stakeholders, sustainability groups, and community members. Local Elder Wally Bell graciously shared his knowledge about the cultural burning techniques of using small, lower temperature fires to reduce bushfire risks, encourage new growth of culturally significant species, and protect native wildlife already living on Country.

We are committed to our ongoing support and partnership with Belco Arts, actively engaging with the community to promote and celebrate First Nations culture. This year, through our Community Support Program, we proudly supported the NAIDOC in the North event – a celebration of Aboriginal and Torres Strait Islander history, culture, and achievements. As part of our efforts, we collaborated with talented First Nations artist Rebekah Weddell, whose work now adorns the water meter box located at the premises. This initiative enhances the space and highlights and honours Indigenous art and cultural heritage.

Icon Water also continued its support of the Ngadyung Program (bush tucker) which seeks to teach school aged children about bush tucker and how to grow it. Through the journey they learn about how to water the plants, where the water comes from, and the journey of a rain drop. They also learn about traditional tools and weapons.



^ To celebrate NAIDOC week, we collaborated with Belco Arts to create this limited edition water bottle featuring Rebekah Weddell's artwork 'Communities'.

A cross-business morning tea was held sharing cultural dhangarn (food) in acknowledgment of Reconciliation Week. The morning tea was attended by the full Executive and involved team members making their commitments to reconciliation on a visual display poster.

This year, several Icon Water staff attended multiple sessions at OzWater focused on First Nations connection to water and engaging with an Indigenous perspective.

COMMUNITY SUPPORT PROGRAM

Our Community Support Program provides financial and in-kind assistance to organisations that deliver valuable local community support services and programs, as well as activities that encourage community access and participation.

Our program is open for community applications in March to April each year.

The program has two primary objectives:

- To meet the objectives under the *Territory-owned Corporation Act 1990*, 'to show a sense of social responsibility by having regard to the interests of the community in which we operate and by trying to accommodate and encourage those interests'.
- To complement and progress our Business Strategy goals by providing a focused and efficient program to promote our brand and meet our commitment to the community.

The guidelines we use to assess funding applications are published on our website. We provide support across a range of areas of need including community inclusion and disability, health and wellbeing, liveability and inclusion, affiliated industry, environment and sustainability, Aboriginal and Torres Strait Islander and community sports. During 2023–24 we committed \$410,000 to sponsorships and donations through 30 groups, individuals, and organisations.

CASE STUDY

Floriade

We engaged with many of the 37,000 people who attended Floriade on the opening weekend to build community water and wastewater knowledge.

Floriade provided an opportunity to share our 'Free the Poo' campaign messages which are focused on why some things should not be flushed down the toilet or put down the drain. The impacts of unnecessary blockages on both private plumbing and Canberra's wastewater system were highlighted using a virtual reality experience and the Free the Poo game, which both proved very popular.

Through our partnership with Events Canberra, we also watered the gardens in the suburbs for the Floriade community program.



Table 12: Organisations/events supported

Organisation/Event	Amount
Lifeline Canberra	\$50,000
Canberra Symphony Orchestra – Music by the River	\$40,000
Karinya House for Mothers and Babies	\$25,000
Ozharvest	\$20,000
Gift of Life	\$20,000
Rise Above	\$20,000
Master Plumbers Association	\$20,000
Communities at Work (Galilee School)	\$15,000
Domestic Violence Crisis Support (DVCS)	\$15,000
Ginninderra Catchment Group – Frog Watch Program (schools' education)	\$15,000
Dementia Australia	\$12,500
Belconnen Arts Centre	\$12,000
Kids in Care ACT	\$10,000
ACT Chief Ministers Inclusion Awards	\$10,000
Tuggeranong Community Council – Southfest	\$10,000
Roundabout Canberra	\$10,000
Red Flag Canberra Inc. Pams Pantry	\$10,000
Canberra Writers Festival	\$10,000
Tuggeranong Valley AFL and Netball Club	\$10,000
ACT Royal Lifesaving Society	\$10,000
The Rainbow Paws Program	\$10,000
ACT Wildlife	\$10,000
Australian Water Association	\$7,500
Dreamtime Connections – Ngadyung program	\$7,000
Canberra Special Kids Christmas Party	\$7,000
Anglicare	\$7,000
The Early Morning Centre	\$5,000
Canberra Netball Association	\$5,000
Tennis ACT	\$4,000
Conservation Council ACT	\$3,000
Total	\$410,000



STRATEGIC OBJECTIVE

DELIVER SUSTAINABLE VALUE FOR OUR
COMMUNITY AND SHAREHOLDERS



STRATEGIC PRIORITY: SUSTAINABILITY

Sustainability and environmental management is important for our business, our community and our world. Under this priority, we focused on building resilience to climate change, reducing our emissions and contributing to a regenerative circular economy.

Managing greenhouse gas emissions and adapting to climate change

We continued to work on actions that reduce greenhouse gas (GHG) emissions in our eMission Possible Plan on our pathway to net zero by 2045 and shared lessons learnt through OzWater'24 presentations.

The work of the eMission Possible Plan was celebrated at the 2023 ACT Australian Water Association awards, receiving the Organisational Excellence Award.

We progressed actions in our Climate Change Adaptation Plan – sustaining resilience, that uses the latest modelling data and considers cascading impacts consistent with the Intergovernmental Panel on Climate Change Assessment Report 6. We continued our fugitive GHG emissions project to monitor and measure nitrous oxide emissions at LMWQCC, our greatest generator of GHG emissions (for more information see our research, development and innovation section on page 46).

Our renewable energy systems (solar photovoltaic arrays and mini-hydros) provided three per cent of all electricity used on our sites. As part of our net zero pathway, we transitioned 50 per cent of the grid electricity used at our main NSW site to GreenPower™ and we have a strategy in place to increase this by 25 per cent per calendar year.

This year we increased our 100 per cent zero-emission battery electric vehicles (BEV) with the acquisition of six Kia Niro electric vehicles, increasing our BEV fleet to eight. These vehicles form part of our pool fleet where we continue to collect and evaluate data on the effectiveness of zero emissions vehicles for various utility functions.

We purchased four hybrid powered light trucks to commence the replacement of our truck fleet used by our maintenance crews, and expanded our EV recharging stations from two to five. In the second half of 2023 our fleet team secured trials with zero-emission light trucks, and

we installed electric drain cleaning technology for cleaning sewers. We will continue to seek feedback and conduct trials to better understand appropriate fit-for-purpose design and application for our transition to a net zero fleet.

There was a three per cent increase in GHG emissions across Icon Water for 2023–24, which follows a three per cent decrease from 2021–22 to 2022–23. Factors in the increase in 2023–24 included increases in use of transport fuels, particularly diesel, and diversion of biosolids for storage onsite. Emissions from stationary fuels remained steady. Despite the increase, the total emissions for 2023–24 are still below the interim target and forecast to meet the interim target for 2025.

Managing resources in a circular economy

Contributing to Canberra’s circular economy and improving our sustainability is pivotal to our purpose to sustain and enhance quality of life.

We continued to work on projects as outlined in our Circular Economy Plan.

We continued our focus on resource recovery of our waste streams and recycled more than 80 per cent of our operational waste during 2023–24, including:

- Concrete manholes, culverts and pipes gathered during excavation works by our field services team were sorted and crushed to make around 850 tonnes of reusable aggregate which we are using internally as laydown area material, stabilisation fill and drainage material. This has resulted in us procuring less virgin aggregate material overall.
- Over 4,700 tonnes of Agri-Ash were beneficially used as a soil conditioner by local farmers.
- We successfully reused around 3,100 tonnes (100 per cent of spoil) generated through network maintenance activities.
- We reused more than 2,000 tonnes of lagoon sludge, generated after cleaning out the lagoons at Fyshwick Wastewater Treatment Plant for onsite earthworks, rather than sending it to landfill.
- We continued our efforts to reuse the water treatment solids generated from our treatment operations through two project trials:
 - Blended Product Trial at Fyshwick Sewage Treatment Plant to create a topsoil mix from the by-products and end products from our water and wastewater treatment processes. We achieved

positive results from the trial and are seeking regulatory approvals to reuse the material in our operations going forward (more details are provided in case study on page 47).

- Working towards a field trial to create a mixture of water treatment solids and crushed concrete that can be used as subbase material in road building.
- Our efforts to improve data collection on waste continued, by gathering information on the amount and type of construction waste generated from different projects and how those waste materials are dealt with to avoid disposal to landfill.
- We continued our engagement with the regional Circular Economy Community and industry by giving presentations and attending conferences. We presented at the NSW-ACT biochar conference in Sydney and were invited to be a panellist at the ACT Circular Economy Canberra Community of Practice in November 2023.

We have also substantially decreased our business’s potable water consumption, which is down by 42 per cent from last year. This reduction is mainly due to leak detection and remediation.

CASE STUDY

World Environment Day

We celebrated World Environment Day on 5 June 2024 by releasing five short videos. The first highlights our overarching action and increasing focus on building resilience to climate change and enhancing circular economy.

The remaining four feature our commitment to net zero through our fugitive emissions research and increased understanding of nitrous oxide emissions; topsoil creation and concrete resource recovery projects and their benefits with local circular economy; and balancing water between the community and environment.



Table 13: Sustainable development performance

Indicator as at 30 June	Unit	Current	Previous	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	34,800,651	34,890,170	0%
Natural gas use (non-transport)	Megajoules	41,864,714	41,824,941	0%
Diesel use (non-transport)	Kilolitres	8.1	6.5	24%
Transport fuel usage				
Battery electric vehicles	Number	8		
Hydrogen fuel cell electric vehicles	Number	0		
Plug in hybrid electric vehicles	Number	1		
Hybrid electric vehicles	Number	1		
Internal combustion engine	Number	132		
Total number of vehicles	Number	142		
Fuel use – Petrol	Kilolitres	6.8	8.4	-19%
Fuel use – Diesel	Kilolitres	396.6	331.0 ¹⁴	20%
Fuel use – Liquid petroleum gas	Kilolitres	0.1	0.1	0%
Fuel use – Compressed natural gas	Gigajoules	0	0	0%
Water usage				
Water use	Kilolitres	37,728	64,628	-42%
Resource efficiency and waste				
Reams of paper purchased	Reams	687	475	45%
Recycled content of paper purchased ¹⁵	Percentage	38%	30%	
Waste to landfill ¹⁶	Tonnes	2214	2601	-15%
Co-mingled material recycled ¹⁷	Tonnes	4.85	2.16	125%
Paper and cardboard recycled (incl. secure paper)	Tonnes	32.78	13.25	147%
Organic material recycled ¹⁸	Tonnes	0.72	0	
Greenhouse gas emissions				
Emissions from natural gas use (non-transport)	Tonnes CO ₂ -e	2,706	2,703	0%
Emissions diesel use (non-transport)	Tonnes CO ₂ -e	27	22	24%
Emissions from transport fuel use	Tonnes CO ₂ -e	1,364	1,147 ¹⁹	19%
Total emissions²⁰	Tonnes CO₂-e	18,407	17,997	2%

Additional table notes:

- Electricity use includes onsite renewable energy.
- This excludes direct water, gas and electricity consumption at the Bunda Street office (where Icon Water occupies one floor of a commercial office building).
- Estimates are provided for 2023–24 resource efficiency and waste data as not all invoicing has been received at the time of data collection.
- Waste to landfill includes general office waste, maintenance waste and treatment plant material disposed to landfill including alum sludge, screening material and security burial material. Waste to landfill data does not include legacy, project, construction and demolition waste data.
- Total emissions also include fugitive nitrous oxide and methane emissions. Fugitive nitrous oxide emissions have been calculated using the same approach as in previous years for consistency.
- Emissions from fuel use includes Scope 3 using National Greenhouse Accounts factors to maintain consistency with previous years. If only scopes 1 and 2 are included the total emissions are 17,578tCO₂e for 2023-24 and 17,174tCO₂e for 2022-23.

14. This value is updated from what was reported in the previous annual report (319.8kL). Not all data is always available and other corrections are noted as the data is more closely interrogated, leading to updates. These are only noted when it is a material change.

15. 38% of paper purchased contained 99% or more recycled content. The increase in paper purchased during 2023–24 is likely due to an increase in the number of people working from the office.

16. The reduction in waste to landfill is largely attributed to a significant reduction in the amount of screenings being sent to landfill.

17. The increase in comingled along with paper and cardboard recycling is likely to be due to an increase in staff returning to the office and the addition of new comingled and paper and cardboard facilities introduced in Mitchell office.

18. Organic material (food waste from kitchen) is now being picked up from Mitchell office.

19. This value is updated from what was reported in the previous annual report (1,108). Same reason as for the diesel change and the diesel is the key part of this change.

20. Emissions from grid electricity in the ACT have been assumed to be zero. NGERs emissions factors for Scope 2 and National Greenhouse Accounts emissions factors for Scope 3 have been used for NSW grid electricity.

RESEARCH, DEVELOPMENT AND INNOVATION

Icon Water approaches research, development and innovation (RD&I) as an enabler to help deliver our core purpose and essential services and prepare us for strategic challenges in the future.

We contribute to and learn from the vast experience and expertise within the water industry across Australia and internationally to deliver water and wastewater services for the capital region.

We continue to provide in-kind support for and collaborate on a range of RD&I projects sharing effort, uncertainty and expertise with partners. Doing so, develops and strengthens relationships with stakeholders from local industries and research institutions, to government organisations and consultancies.

Our partners include industry associations such as the Water Services Association of Australia (WSAA) and Water Research Australia (WaterRA), The Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food and Environments (CRCSAAFE) and Australian universities. We are also a member of the Australian Water Association's Australian and New Zealand Biosolids Partnership (ANZBP) collaborating on wastewater biosolids and biochar projects.

In 2023–24, we contributed to the following RD&I projects:

- In collaboration with University of Canberra, we continued using the Environmental DNA (eDNA) collection technique to monitor Macquarie Perch from the Enlarged Cotter Dam to Corin Dam and Molonglo River as part of our commitment to safeguarding protected fish species and monitoring invasive pests for water quality impact. Using this technique, we were also able to map carp distribution in Burra Creek, Googong Reservoir, and the Queanbeyan River which will help us track population levels and reduce future risk to water quality in the Queanbeyan River Catchment.
- We initiated a study with industry partners and health authorities to understand the potential impacts of recreational access to drinking water catchments and storages in the Australian context. This study will collate and present objective evidence to better understand these impacts.
- Australia's Cooperative Research Centre (CRC) for Solving Antimicrobial Resistance (AMR) in Agribusiness, Food and Environments (SAAFE) commenced a 10-year research program last year led by WaterRA with Icon Water forming part of the Water Industry Consortium. This program will focus on the emerging challenge of AMR by monitoring organisms, integrating data across different value chains, and identifying interventions that mitigate AMR.
- In partnership with Griffith University, government agencies and water utilities, we are participating in research to determine the ecological impacts of bushfire fighting chemicals. The project will focus on assessing the fate of (where a chemical goes when it gets into the environment and how it might be chemically transformed in the process), persistence and aquatic toxicity of firefighting chemicals used to control bushfires, to help protect water quality in drinking water supply catchments.
- We continue to collaborate with researchers at the University of Queensland (UQ) and peer utilities to extend our understanding of fugitive emissions from wastewater treatment and how they can be mitigated. The initial focus of the project was only on fugitive emissions from secondary treatment, however has now been extended to investigate nitrous oxide emissions from the heat treatment of sewage sludge. Through this research we also continue our participation in the ARC Nutrients in a Circular Economy (NiCE) Hub.
- Icon Water, multiple peer utilities and UQ applied to the ARC for a Linkage project focused on reducing direct greenhouse gas emissions from urban wastewater systems. The application, led by the team at UQ, was successful and the project will commence in the second half of 2024.

- We have partnered with peer utilities and RMIT to develop ammonium-selective membranes which are urgently needed in Australian key industries for sustainable ammonia recovery. Such technology might help avoid generation of fugitive emissions from wastewater treatment, recover a valuable ammonia resource and reduce energy consumption.
- We are advancing our circular economy efforts through different resource recovery projects. We completed a trial which combined different by-products and end products generated from our water and wastewater operations to produce topsoil (case study below). We are also working on a trial to combine water treatment solids and crushed concrete to produce a material which could substitute subbase material in road building if successful.
- A research project with the Australian National University (ANU) was finalised, which focused on converting biosolids, amended with different levels of potassium, into biochar to maximise phosphorus availability for plant growth at the same time as helping to mitigate climate change. Pot trials were conducted on wheat and pine seedlings. Results indicate that the potassium doping treatment method used at higher temperatures is effective in helping plants uptake nutrients. The research also confirmed that higher temperatures are more effective in removing organic contaminants and supporting land application of biochar.
- We participated in a panel discussion on 'Designing for a Circular Economy Future' at the ANU and presented at an NSW-ACT biochar conference in Sydney in November 2023. We also participated in various WSAA research groups such as the Research and Development Network and Innovation Futures Community of Practice and at WaterRA forums.

CASE STUDY

Blended Product Trial

We trialled an innovative spoil to topsoil approach, where we combined by-products from our water and wastewater operations with FOGO (food organics, garden organics), compost from ACT green bins, and spoil from our maintenance operations. The aim was to see if we could create a fertile topsoil product that could be used in the restoration of our excavation sites, avoiding the need to purchase topsoil.

We trialled fifteen stockpile mixtures: one sample of control soil and 15 varied combinations of spoil, Agri-Ash, water treatment solids and FOGO. We planted the mixtures with Canberra turf blend and monitored them to see which soil mix encourages faster plant

growth, with fewer weeds and the ability to withstand Canberra's extreme climatic conditions. Two mixtures proved most successful, and we are now in the next phase of the project seeking regulatory approval to create our own topsoil product that may be used for site restorations. Using our spoil to topsoil product would mean several positive outcomes, including:

- less waste going to landfill
- saving money and benefiting the environment by decreasing need to purchase topsoil
- showcasing the potential reuse opportunities for these by-products rather than them being treated as waste for the benefit of other industries.



STRATEGIC PRIORITY: 2023–28 PRICE REVIEW

The prices that Icon Water can charge for water and wastewater services in the ACT are regulated by the Independent Competition and Regulatory Commission (ICRC).

In May 2023, the ICRC issued its five-yearly price direction, which set the path for Icon Water’s prices for 1 July 2023 to 30 June 2028. Each year in this period, the ICRC updates the prices to account for actual inflation, government charges, and market factors.

The ICRC’s final decision considered the investments outlined in our price proposal that are necessary for us to continue providing reliable water and wastewater services to our community. These investments focus on the services our customers told us they value most: reliable water and wastewater services; quality drinking water; affordable pricing; and responsive customer service. At the same time, we will respond to major factors influencing our operating environment, allowing us to proactively make plans for our ageing infrastructure while supporting a growing ACT population and mitigating the

effects of climate change. The ICRC’s final decision includes approximately \$717 million of capital investment over the 2023–28 regulatory period.

Through the price review priority, we have been embedding the 2023–28 price direction and started delivering on the commitments we made to our customers in our price proposal which are centered around eight outcomes (see Figure 7).

Our performance against the indicators and targets for these outcomes for 2023–24 is included on page 17 of this annual report.

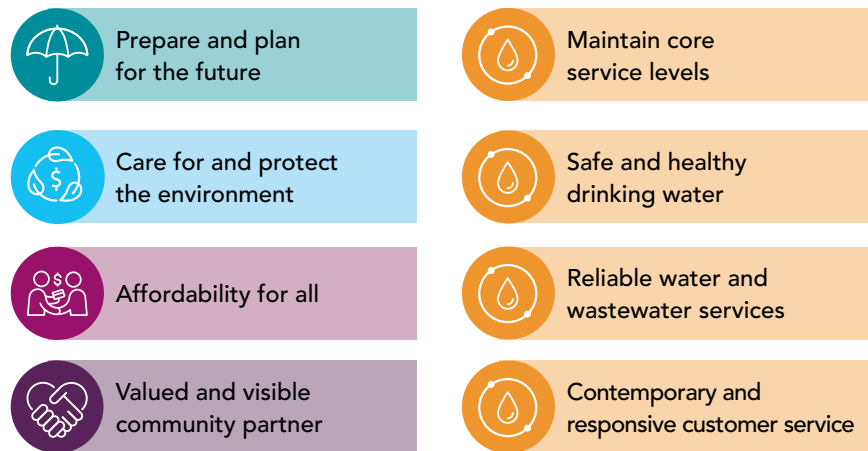
As part of the price direction for the 2023–28 regulatory period, the ICRC also made a commitment to conduct

a review of the wastewater tariffs charged by Icon Water. This will likely occur in the coming years.

Water and wastewater prices

In 2023–24, the annual water and wastewater bills for a typical Canberra household using 200 kL of water per year increased by 6.1 per cent, roughly \$1.38 more per week. The price changes are consistent with the ICRC’s direction for the 2023–28 period, which identified inflation and critical infrastructure investments as the primary drivers for increased prices. These investments include major upgrades to Canberra’s primary wastewater treatment plant at Lower Molonglo.

Figure 7: Price proposal outcomes





STRATEGIC PRIORITY: DIGITAL STRATEGY

Our Digital Strategy (2021-28) is designed to deliver the modern experiences our customers and staff expect and optimise our operations.

The strategy aligns with our corporate sourcing strategy and supports a smooth transition from existing partnerships to new ones.

During 2023–24, the second tranche of work under the Digital Strategy continued to deliver against defined outcomes and underpin organisational transition objectives. Broadly this included the migration from ActewAGL to Icon Water-managed platforms, decommissioning several legacy digital platforms, and upgrading a suite of systems that had reached end of life. We've also implemented several cyber security initiatives, which have further improved our cyber security posture, preparedness, and maturity levels.

Throughout 2023–24 we also:

- Replaced the legacy electronic access control system which had reached end of life, minimising risks associated with potential system outages and mitigating compliance risks associated with the *Security of Critical Infrastructure (SOCI) Act*. This upgrade supported the transition from ActewAGL to Icon Water-managed services and infrastructure.
- Upgraded and streamlined our geospatial information system (GIS) platform to ensure business continuity, cater for increased system demand and leverage modern applications and capabilities not currently available.
- Migrated and modernised application functionality used to capture, bulk upload, and maintain facility-based asset information and supporting asset hierarchies. We've also migrated and modernised application functionality used to securely manage, report on and maintain our instrumentation calibration and certification data.
- Upgraded our website to implement robust reporting and analytic capabilities. This will reduce overall support and maintenance costs and provide a modern platform for improved digital engagement with our customers and community.
- Continued to modernise our digital network by replacing end-of-life trunked mobile radio handsets with push-to-talk digital mobile radios and satellite/4G based Wi-Fi as well as enhancing coverage at our remote sites.
- Undertook assessments of the maturity of our cyber security risk management processes, as well as assurance of the cyber security aspects of the of Icon Water Critical Infrastructure Risk Management Program (CIRMP), enabling the Icon Water Board to attest to SOCI obligations related to cyber security.
- Embedded and matured the People Change Management Model and supporting strategy to vastly improve the speed and depth to which our people have understood, adjusted to and adopted digital-related changes.

STRATEGIC PRIORITY: DATA GOVERNANCE AND MANAGEMENT

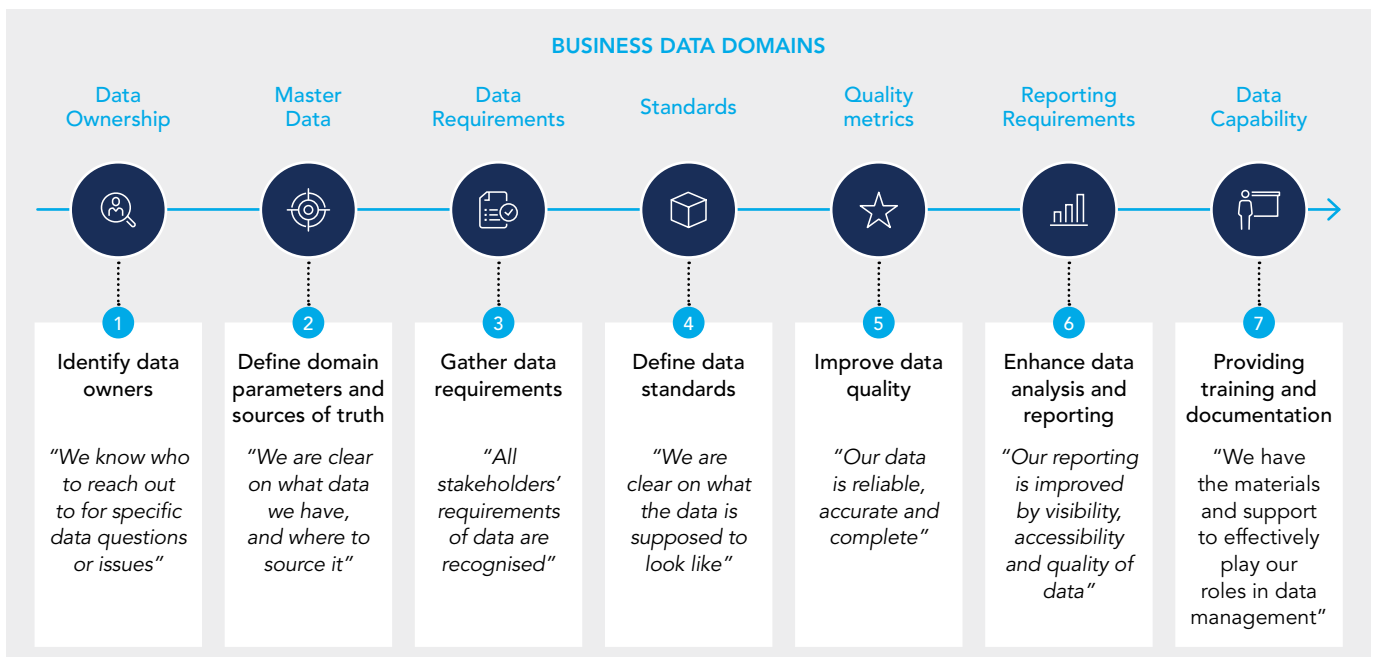
Our enterprise data governance and management continues to be a key priority as we improve our data governance maturity.

This involves measures such as establishment and enforcement of data privacy policies, data protection measures, and data retention requirements. Following development of our data governance framework (shown in Figure 8), this year we have implemented the initial roadmap of activities and conducted a refresh of the roadmap, outlining our activities to June 2025.

The Data Governance Committee oversees our roadmap implementation, including piloting the framework, rolling out learning resources, communications and tools for the business:

- **Piloting:** Piloting the framework has enabled us to test and refine supporting data management templates and to evaluate business stakeholder needs for complementary learning resources.
- **Learning resources:** Feedback from piloting indicated that business stakeholders would benefit from data literacy related learning resources to support their understanding and implementation of the framework. In response, a suite of tailored learning modules to meet the specific needs has been developed.
- **Communication:** To build awareness and understanding of the enterprise data governance and management framework, a series of presentations and workshops was conducted across the business. These engagements provided business stakeholders with an overview of the framework and supporting processes and an opportunity to ask questions. This set the foundation for individuals and teams to begin preparing to adopt the appropriate tools and practices for working with data.
- **Business intelligence:** Icon Water is establishing a data management team to support appropriate business intelligence reporting using our newly selected corporate business intelligence tool. This will ensure that we have the capability and capacity to govern and manage the growing use of business intelligence for effective data-led decision making.

Figure 8: Data Governance Framework



STRATEGIC PRIORITY: IMPLEMENT THE CORPORATE SERVICES DELIVERY MODEL

ActewAGL has historically provided corporate services to Icon Water through the Corporate Services Agreement (CSA). This has covered services such as finance, human resources, security, warehouse management and information and communications technology (ICT).

The CSA was intended to expire on 30 June 2023, with Icon Water making the decision to transition these services from ActewAGL. Following an agreement to extend the transition period, we are now working towards completing transition by 31 December 2025.

In preparation for the expiry of the CSA, Icon Water established a Transition Program to implement the Board-approved sourcing strategy for services covered under the CSA. This would not only ensure continuity of essential corporate services, but also provide us with improved strategic and commercial control, and enhanced tailoring of services.

During 2023–24, we have continued to make progress in implementing the approved sourcing strategy. This has included successfully transitioning several services to our control. To enable this and future work, we have the support of a delivery partner to assist with design, governance and implementation of the Transition Program.

We also had a strong focus on planning the transition of the more complex and integrated services. This was completed in close collaboration with ActewAGL, our delivery partner and vendors. This resulted in the creation of an Integrated Program Plan (IPP) which will guide our efforts, culminating in a final transition of ICT services by the end of the 2025 calendar year.

Table 15: Services being transitioned

Transitioned services	Services to transition by December 2025
<ul style="list-style-type: none"> ▪ Asset location ▪ Compliance management ▪ Economic regulation affairs and pricing ▪ Human resources (non-ICT dependent) ▪ Property management ▪ Purchasing and inventory ▪ Security management ▪ Treasury ▪ Warehouse management ▪ Vehicle fleet management 	<ul style="list-style-type: none"> ▪ Faults and emergency contact centre ▪ Finance ▪ Human resources (ICT dependent) ▪ ICT networks, infrastructure and service management



STRATEGIC PRIORITY: DEVELOPMENT AND IMPLEMENTATION OF AN INTEGRATED WATER MANAGEMENT PROGRAM

We are actively planning for a growing Canberra and a future where climate change has impacted our systems. We routinely reassess our water security, water catchment quality, drought management actions and wastewater systems to inform operating and investment decisions and build resilience.

The water security update on page 14 identifies our challenges in ensuring long-term water security to support our growing population and meet the challenges of a changing climate. Our wastewater services are also nearing capacity, and we are exploring how our wastewater system can best meet Canberra’s future needs.

In 2023–24, we continued to develop and implement an Integrated Water Management Program (IWMP), to improve the resilience of the ACT’s water and wastewater services in an integrated and coordinated way and support future investment decisions to consider the whole water cycle. The IWMP will deliver sustainable value for our community and shareholders and ensure we are prepared for the future. It will also help achieve the objectives of our Climate Change Adaptation Plan, Circular Economy Plan and eMission Possible Plan.

Through our IWMP we progressed the implementation of our three service strategies that guide the long-term development of Icon Water services, now and into the future:

- The Water System Strategy identifies the vision and objectives for Icon Water’s water system to be safe, secure, smart, and identifies the actions required to ensure our long-term water security. Associated with the Water Strategy is our Drought Management Plan, which sets out actions, including infrastructure augmentation options, to prepare us for extreme drought conditions.
- The Wastewater System Strategy sets the direction for Icon Water’s wastewater system, including the different strategic options available and the actions required to progress them.

- The Non-Drinking Water Strategy identifies the vision and objectives for the non-drinking water system. It includes actions to inform our decisions about providing non-drinking water as a service, as part of drought response and demand management, and in supporting liveability outcomes.

The IWMP's aim is to provide answers to the following strategic questions:

- What options do we have to ensure a resilient and secure water supply?
- What is our next water source?
- Is groundwater or purified recycled water a feasible source of drinking water during drought?
- How can we manage demand to mitigate impacts of drought?
- What options should we pursue for our future wastewater system configuration?
- Do we centralise our wastewater treatment or retain multiple treatment locations?

Over the past 12 months we have made significant progress in establishing the IWMP program design and governance arrangements and implementing activities in the water and wastewater service strategies and Drought Management Plan. We have also entered into strategic partnerships to bolster our ability to deliver on these major planning initiatives and investment decisions.

Water security planning

We routinely test the performance of our source water system by projecting demand and simulating future climates that include climate change impacts. We also 'stress test' our source water system models against extreme droughts, significantly worse than historical events.

Our water resource models have been independently reviewed and assessed as fit for purpose for both short and long-term water resource planning.

Our revised water resource modelling is forecasting that the water supply system is performing as required. However, looking longer term and factoring in population growth and impacts from climate change, Canberra may require its next water source as early as 2040.

In 2023–24 we progressed investigations into our next major water supply source. Investigations considered previously considered options as well as new ones including augmented dams, additional river pumping, groundwater, demand management, purified recycled water for drinking, recycled water for non-drinking water purposes, and desalination with a pipeline from the east coast. More detailed feasibility investigations on shortlisted options will be undertaken over the next 12 months. These investigations will include surface water options in addition to climate-independent options, such as purified recycled water and desalination, which would increase our climate resilience.

Our Drought Management Plan identifies how we will respond in the event of an extreme drought. We have completed several actions identified in this plan.

These actions included undertaking investigations into the feasibility of groundwater and purified recycled water as drought response measures and commencing a review of the Permanent Water Conservation Measures (PWCM) and Temporary Water Restrictions (TWR) schemes.

Our water security planning work was informed by the Our Water Future customer and community engagement activities, as part of Icon Water's broader Let's Talk Water and Wastewater engagement program. The Our Water Future engagement activities commenced in September 2023 and are expected to run through to 2026. Icon Water sees the value in undertaking these discussions with our community now such that we are well placed for the next dry period.

Wastewater system planning

We have progressed investigations to determine whether we should centralise and expand treatment capacity at Lower Molonglo Water Quality Control Centre (LMWQCC) or progress a dual-plant treatment option through building an eastern treatment plant. In 2023–24 we completed network master-planning to support this key decision.

We also completed an eastern treatment plant location assessment. The key outcome of this assessment was that the existing Fyshwick Sewage Treatment Plant site will play a vital and more active future role under both the centralisation and dual-plant strategic pathway options. This site is the preferred site for an eastern treatment plant and as a site for network storage and wet weather temporary storage under an LMWQCC centralisation pathway. We will continue to investigate the feasibility of an eastern treatment plant over the next 12 months.

CAPITAL WORKS

In 2023–24, Icon Water invested \$69 million in capital works to grow and improve our water and wastewater networks to meet future demand and protect the natural environment.

Most significantly we have continued a major program of works at the Lower Molonglo Water Quality Control Centre (LMWQCC). LMWQCC is our primary sewage treatment plant and was constructed in the 1970s.

Significant components of the plant continue to progressively need replacement. Reasons include age, increasing risk of failure, cost to

maintain, preparations for increased capacity and to ensure continued compliance with environmental regulations.

In 2023–24, we continued or completed the following major projects:



LMWQCC biosolids management renewal

The LMWQCC biosolids management renewal project is a renewal driven upgrade of the biosolids treatment and management infrastructure. The furnaces have been in operation since the 1970s and are nearing their end of nominal service life.

The project business case was endorsed in 2022-23 and the project has moved to the plan stage.

\$277m

Estimated total project value

Anticipated construction period: FY28–FY31



LMWQCC Secondary Treatment Bioreactor augmentation

The LMWQCC Secondary Treatment Bioreactors project is proposed to address the region's population growth by augmenting the treatment capacity to accommodate ACT population projects.

The project is in the plan stage, and Icon Water is in the process of engaging a delivery partner.

\$370m

Estimated total project value

Anticipated construction period: FY26–FY30



High voltage asset renewal

This project addresses reliability issues related to ageing electrical infrastructure

Construction work is mostly completed with all new HV infrastructure installed and placed into service. This addresses some significant safety and reliability issues associated with the electrical assets. Remaining works include minor ancillary items and restoration.

\$46m

Estimated total project value

Anticipated construction period: FY22–FY25



Sewer Mains replacement

Our program of sewer mains replacement has continued in 2023-24 to provide customers with continuous reliable sewerage services.

The project has moved into the execute stage and a new delivery contract has been established to facilitate the rehabilitation works up to 2028, with a total of 110km identified for replacement over this period. Construction commenced in May and 8.4 km of mains have been completed.

\$52m

Estimated total project value

Anticipated construction period: FY24–FY28



Belconnen trunk sewer upgrades

Wastewater from Belconnen and Gungahlin is collected and conveyed via the Belconnen trunk sewer to the Ginninderra sewer tunnel and then to LMWQCC for treatment.

The Belconnen trunk sewer was constructed in the 1960s and increased capacity was needed to meet current and future population growth. As well as improving capacity, the network will be upgraded to include extra ventilation and odour control units to protect new and existing infrastructure and improve the amenity of existing and future communities.

Construction has progressed in 2023–24, with completion of the trunk sewer through challenging technical conditions, the four Odour Control Units (OCUs) and site restoration. The remaining works include ongoing restoration and landscape management activities.

\$39m

Estimated total project value

Anticipated construction period:
FY21–FY24



Cotter Pump Station

The Cotter Pump Station supplies raw water from either the Cotter Dam or the Murrumbidgee River to Stromlo Water Treatment Plant. Access to this water supply is reliant on the pump station.

The upgrade will ensure the ongoing reliability of this ageing asset which is critical to water security.

The project involves constructing a new building for an existing pump plus two new pumps with provision for a future fourth pump, as well as new high and low voltage switch rooms. Work also includes supply, installation and commissioning of all pipework and equipment for the new pump station. These works will allow for the future decommissioning of the historic Cotter Pump Station (Cotter WPS No.1).

Construction was well underway at the end of 2023-24 with completion of bulk earthworks and retaining walls. Major equipment procurement is complete and building preliminaries are commencing on site.

\$33m

Estimated total project value

Anticipated construction period:
FY23–FY27



Water Mains replacement

The scope of the program involves the renewal of 26km of reticulation mains over a period of 2024 – 2028. The project has recently been approved to move into the execute stage and is due to move into construction in early 2024-25.

\$32m

Estimated total project value

Anticipated construction period:
FY24–FY28



Water meter replacement

Our water meter and service upgrade program continued in 2023–24. This project ensures equitable billing, sustainable asset management and regulatory requirements are met. We replaced 9,184 meters in the planned replacement program (8,726 small and 458 large meters). In addition, there were 270 reactive meter replacements to rectify meters that had failed.

1,374 new meters (small and large) were issued for new building development projects.

The total number of meters replaced and issued was 10,828.

\$30m

Estimated total project value

Anticipated construction period:
FY24–FY28



Renewal of disinfection system at LMWQCC

We are developing the detailed design for the renewal of the chemical disinfection system at LMWQCC. This system is critical to treat the discharge from the plant to comply with environmental licence conditions.

\$6m
Estimated total project value
Anticipated construction period:
FY25–FY26



Upgrade of staff amenities at LMWQCC

In addition to upgrading treatment processes at LMWQCC, we also need to upgrade and refurbish the staff amenities at LMWQCC. These facilities require upgrading to support a modern working environment for the 100 staff on site. These facilities have not been significantly upgraded since their original construction in the 1970s.

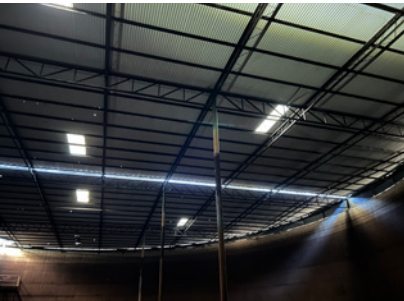
\$13m
Estimated total project value
Anticipated construction period:
FY25–FY26



Digital Strategy

We have an ongoing Digital Strategy to empower our workforce in their everyday work, maximise water asset performance, optimise our operations, and improve customer experience. We are upgrading operations systems, retiring our legacy ICT portfolio, integrating technology for better performance, creating an enterprise data/integration capability, enhancing our enterprise resource management capability, and modernising and securing our networks.

\$30m
Indicative for ICT investment to
FY27–FY28



Reservoir renewals

We are replacing reservoirs or major components (such as roofs) on service reservoirs constructed in the late 1950s and early 1960s. In 2024, we will start work on replacing the roof on Lower Red Hill Reservoir which supplies water to central Canberra. In 2025, we plan to start work on Aranda Reservoir to replace the roof and renew the concrete joint seals. These projects ensure we can maintain public and worker safety, and water quality.

\$17m
Estimated total project value
Anticipated construction period:
FY25–FY26



Water pipeline to Uriarra Village

We have replaced the non-potable water pipeline to Uriarra Village to provide long-term water security for the community. Funding for the project is provided by the ACT Government.

~\$6m
Estimated total project value
Construction completed
FY23–FY24



**CORPORATE
GOVERNANCE AND
ACCOUNTABILITY**



THE BOARD

At 30 June 2024, the Icon Water Board comprised eight Directors: seven non-Executive Directors and the Managing Director. The Voting Shareholders determine the terms of appointment and remuneration of the non-Executive Directors.

Procedures for the appointment of Directors are outlined in the *Territory-owned Corporations Act 1990*, the company's constitution, and Icon Water's internal procedures.

In November 2023, we advertised nationally for one non-Executive Director position that will be vacated in the next reporting period.

The Board met eight times during the financial year. Details of attendance at Board and Committee meetings are provided within the Financial Reports.

There are two committees of the Icon Water Board: the Risk and Assurance Committee and the Remuneration Committee. At 30 June 2024, the Risk and Assurance Committee consisted of three Directors and met four times during the financial year. The Remuneration Committee consisted of all Directors and met twice.

The Risk and Assurance Committee members are Carol Lilley (Chair), Peter Dennis (member), Helen Locher (member – part year) and Warren Mundy (member – part year).

At 30 June 2024 all eight Directors sat on the subsidiary Boards of each of Icon Retail Investments Limited and Icon Distribution Investments Limited. Further details on and Director attendance are provided within the Financial Reports.

Our Directors' profiles for this reporting period are outlined below:



WENDY CAIRD

Chair
MAICD

Term concluded 17 August 2024

Wendy Caird was first appointed to the Icon Water Board in December 2009, and was appointed as Acting Deputy Chair from July 2013 and Deputy Chair in March 2014.

Due to her extensive knowledge of Icon Water's business, and experience on the ActewAGL Partnerships Board, Ms Caird was appointed as Chair of the Icon Water Board, Icon Distribution Investments Limited, Icon Retail Investments Limited, and the Icon Water Remuneration Committee from March 2017 until her retirement in August 2024. Ms Caird served as Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022 and was a member of the ActewAGL Partnerships Board until

31 January 2023.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.



CAROL LILLEY

Chair (from 18 August 2024)
BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2013

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017.

Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023 and as Chair from November 2023.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years.

Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member of the Services Australia Audit and Risk Committee and Chair of the Department of Home Affairs Audit and Risk Committee amongst others.

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.



RAY HEZKIAL

Managing Director
BEng (Civil), DipPM, MBA, MIEAust,
MAICD

Appointed 29 November 2018

In November 2018 Ray Hezkial was appointed on the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018.

In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.



PETER DENNIS

Deputy Chair (from 18 August 2024)
B.Eng, M Environmental Studies,
Dip Mgmt, FIE Aust, CPEng, NER,
Int PE (Aus), MAICD

Appointed 2 May 2020

Peter Dennis was appointed to the Icon Water Board, and as a Director of the Icon Retail Investments Limited Board and the Icon Distribution Investments Limited Board, as well as the Icon Water Remuneration Committee in May 2020. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Icon Water Board's Risk and Assurance Committee in June 2023 and was appointed as Chair in August 2024.

Mr Dennis is General Manager of Water for Beca Hunter H2O, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management

including strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years.



DR HELEN LOCHER

Director
BSc (Earth Science), MEnvSc
(Environmental Science),
PhD (Civil Engineering), GAICD

Appointed 2 May 2020

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher was a member of the Risk and Assurance Committee until February 2024. Dr Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-Executive Director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years serving on boards.

She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.



JULIE-ANNE SCHAFFER

Director
LLB (Hons), ANZIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-Executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd, and Local Buy Pty Ltd.

Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-Executive member of the Office of the National Rail Safety Regulator. She is President of the National Competition Council and chairs several Audit and Risk Committees.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy, in the Company Director Course, for the Australian Institute of Company Directors.



GEOFFREY BUCHANAN

Director
Assoc DipBus, BBus (with
Distinction), BSc (Hons), MGeogSc

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board and the Icon Water Remuneration Committee on 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023.

Mr Buchanan has more than 20 years of community engagement experience on wellbeing, cultural and natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012.

From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where

he led community and consumer engagement on energy issues as manager of the ACT Energised Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and Care Financial Counselling Services (since 2023), and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.



DR WARREN MUNDY

Director
BSc (Hon UNSW), DipEc (Syd), MPhil
PhD (Cantab), GradCertAppFin
(Macq), MEnvLaw (Hons, ANU),
FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board, the Icon Water Remuneration Committee and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 1 November 2023. Dr Mundy joined the Icon Water Board's Risk and Assurance Committee in February 2024.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority and a Special Advisor to the Australian Restructuring Insolvency and Turnaround Association and Igneo Infrastructure Partners.

He was a Commissioner at the Australian Productivity Commission

from 2009 to 2015 and also served as the Australian Competitive Neutrality Commissioner. Dr Mundy recently undertook an independent review of Australia's National Legal Assistance Partnership for Australia's Attorneys General.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW-Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of Transgrid, Sydney Desalination Plant, Vicforests, the Western Community Legal Services, James Watt College for Higher and Further Education, the United Kingdom Airports Operators Association and the National Health Co-operative.

THE EXECUTIVE



RAY HEZKIAL

Managing Director
BEng (Civil), DipPM, MBA, MIEAust,
MAICD

In November 2018 Ray Hezkial was appointed as a Member of the boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works

program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma of Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.



ALISON PRATT

General Counsel
B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and are responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.



JOY YAU

Chief Financial Officer
BA (Hons), CA, GAICD

Joy Yau is responsible for the overall financial management, economic regulation, asset management strategy, data governance, and business strategy of Icon Water, including oversight of its investment in ActewAGL. Ms Yau joined Icon Water in 2014 and has over 18 years of professional experience including extensive commercial and strategic financial management roles across the utility, retail and hospitality sectors in Australia and the United Kingdom.

Ms Yau holds a Bachelor of Arts with Honours in Accounting and Management Control, is a Fellow of the Institute of Chartered Accountants in England and Wales, is a member of Chartered Accountants Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.



DAVINA MCCORMICK

General Manager Customer Engagement
BBus (Dist), MBA, Cert. Public Participation, GAICD

Davina McCormick leads the group responsible for setting the strategic direction and implementing programs that enhance customer and community engagement. Her team delivers operational customer service, communications and engagement, asset information and protection, development services, metering and account management functions that consider the priorities, values and expectations of our customers and community.

Her experience spans new venture start-ups, global companies and government corporations in a range of sectors including financial services, energy, education and utilities.

Ms McCormick holds a Master of Business Administration, a Bachelor of Business (Marketing and Management), a Certificate in Public Participation from the International Association for Public Participation and is a Graduate of the Australian Institute of Company Directors.

She has a diverse range of marketing, service design, customer and stakeholder engagement, project management and strategy skills.



GERARD BRIERLEY

General Manager Infrastructure Services
BE (Civil), GradCert (Economics)

Gerard Brierley leads the Infrastructure Services Group, which is responsible for the operation of our water and wastewater assets for the Canberra community. He is responsible for setting the strategic direction for a large multi-disciplinary team of operational, engineering, maintenance, planning and project delivery professionals.

His expertise is in leading large, complex infrastructure projects with a particular focus on community and stakeholder liaison.

Mr Brierley holds a Bachelor of Engineering (Civil) and a Graduate Certificate of Economics.

Mr Brierley has over 15 years of experience in the water and wastewater industry and has led the development and delivery of investment programs within utilities as well as private industry.



DR TONY POLLOCK

Chief Technology Officer
PhD (Engineering), BEng (Hons), BSc

Dr Tony Pollock is responsible for the development and delivery of Icon Water's technology strategy and information and communications technology operations. As General Manager for Digital Technology Group he leads a diverse team to provide enterprise architecture, data management, program and project management, cyber security, change management and operations across Icon Water's digital technology environments.

Dr Pollock has over 20 years' experience in strategic planning, program management, business change, and ICT development and operations in both the public and private sectors, with a particular

focus on improving business efficiency and customer experience through technology, innovation and digital transformation. Before joining Icon Water he held several senior executive positions in Australian defence and national security. Prior to this, Dr Pollock held several roles developing and commercialising emerging technologies across the telecommunications, health and energy sectors.

Dr Pollock holds a PhD in Engineering, a Bachelor of Engineering with Honours, a Bachelor of Science and an Advanced Diploma of Project Management.



MARK MULLIGAN

General Manager People Health and Safety
Masters (Mgmt), Cert IV Training and Assessment

Mark joined Icon Water in 2022 and brings over 30 years' experience in the energy and utilities sector. Mark's areas of expertise include: risk management; workplace training; workforce planning; vendor contract management; and business and strategic planning.

Mark is passionate about accessible and inclusive workplaces and recently chaired the Australian National University's Disability, Access and Inclusion Working Group for over three years prior to joining Icon Water.

Mark holds a Master of Management, a Certificate IV in Training and Assessment, Lead Auditor qualifications and is also an electrician by trade.

BOARD AND SENIOR EXECUTIVE REMUNERATION

The Voting Shareholders determine remuneration for Icon Water Board Directors. Board Committee members and Directors of Icon Distribution Investment Limited and Icon Retail Investments Limited are not separately remunerated. The Board meets as the Remuneration Committee to discuss the remuneration of the Managing Director.

The remuneration framework for determining Senior Executive remuneration includes evaluations of each executive role, conducted by an independent remuneration consultant with specialist expertise in the utilities sector. As part of these evaluations, the independent expert also conducts remuneration benchmarking, which contributes to decision-making on Senior Executive remuneration.

Table 16: Non-Executive Director remuneration

		Short-term employee benefits		Post-employment benefits	Total remuneration \$
		Board & Committee fees \$	Non-monetary benefits \$	Superannuation ²¹ \$	
Wendy Caird	2023–24	86,903	600	11,297	98,800
	2022–23	84,421	564	10,975	95,960
Carol Lilley	2023–24	69,527	-	9,039	78,566
	2022–23	67,540	564	8,780	76,884
Peter Dennis	2023–24	43,417	-	5,793	49,374
	2022–23	46,813	-	700	47,513
Brett Tucker	2023–24	816	-	127	943
	2022–23	42,179	-	5,483	47,662
Dorte Ekelund	2023–24	14,197	-	1,846	16,043
	2022–23	42,179	-	5,483	47,662
Dr Helen Locher	2023–24	43,417	-	5,644	49,061
	2022–23	42,179	-	5,483	47,662
Julie-Anne Schafer	2023–24	43,417	-	5,644	49,061
	2022–23	42,179	-	5,483	47,662
Geoffrey Buchanan	2023–24	42,601	800	5,538	48,939
	2022–23	-	-	-	-
Dr Warren Mundy	2023–24	29,220	-	3,799	33,019
	2022–23	-	-	-	-
Dr Nadine White	2023–24	-	-	-	-
	2022–23	-	-	-	-
Total Non-Executive Director KMP	2023–24	373,515	\$1,400	48,727	423,086
	2022–23	367,490	1,128	42,387	411,005

²¹ Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines.

Table 17: Senior Executive remuneration

		Short-term employee benefits	Post-employment benefits		Other long-term benefits	Total remuneration
		Salary & fees	Non-monetary benefits	Superannuation ²²	Employee entitlements	
Ray Hezkial	2023–24	608,142	6,245	27,567	1,888	643,842
	2022–23	606,201	7,103	27,606	17,117	658,027
Joy Yau	2023–24	375,470	4,793	27,567	10,356	418,186
	2022–23	374,555	3,823	27,606	11,040	417,024
Dr Tony Pollock	2023–24	366,036	3,281	27,567	6,835	403,719
	2022–23	355,088	3,022	27,606	4,698	390,414
Davina McCormick	2023–24	359,629	3,665	27,567	8,788	399,649
	2022–23	344,901	3,021	27,606	6,911	382,439
Gerard Brierley	2023–24	357,698	3,211	27,567	9,371	397,847
	2022–23	335,254	3,060	27,606	7,137	373,057
Alison Pratt	2023–24	337,574	4,905	27,567	9,343	379,389
	2022–23	322,954	3,501	27,606	9,121	363,182
Mark Mulligan ²³	2023–24	313,812	3,178	27,567	7,240	351,797
	2022–23	272,611	2,243	22,740	-	297,594
Total Senior Executive KMP	2023–24	2,718,361	29,278	192,969	53,821	2,994,429
	2022–23	2,611,564	25,773	188,376	56,024	2,881,737

22 Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines.

23 Mark Mulligan commenced employment as General Manager People, Health & Safety on 5 September 2022.



RISK MANAGEMENT

Risk management is a vital function of Icon Water's governance framework and is an enabler of our strategic objectives.

Under the Icon Water risk management framework, a number of enterprise risks have been identified which are whole-of-business risks that Icon Water faces that if realised, would impact the ability to achieve one or more of our strategic objectives.

As part of the ongoing annual review process, all of the 11 enterprise risks were reviewed in the previous 12 months. The risk review workshops are conducted with each of the General Managers (risk owners) and their management teams.

The review process aims to ensure risk information accurately reflects the current operating environment, and where possible, considers the broader Icon Water enterprise risks and controls. The reviews also introduced new initiatives to enhance enterprise risk data including:

- inclusion of an enterprise risk assessment allowing better contextualisation by risk review participants
 - inclusion of relevant subject matter experts in workshops from across the business that are critical control owners
 - implementation of control effectiveness at the enterprise risk level
 - elevating risk controls to a strategic level (parent control) and the opportunity within the risk assessment to outline the tactical and operational controls (child controls) that form the strategic control.
- Following review of enterprise risks by risk owners, the Board also review and note annual updates, specifically current and proposed controls, and their effectiveness.
- Other risk activities achieved in 2023–24 include:
- approval by the Board of a refreshed Risk Appetite Statement in December 2023
 - an enhanced review process for enterprise and key risks to support risk maturity and collaboration between business areas to achieve better understanding of strategic risks
 - improved maturity of Icon Water's risk culture, and proactive risk management activities with the implementation of the risk champion network, and risk workshops, to empower the business
 - an organisational refresh of our risk management system, as well as the process for capturing, recording and managing risk data, risk assessments and related guidance materials.

ENVIRONMENTAL MANAGEMENT

We are committed to protecting the environment and improving sustainability for our business and our community.

This is articulated through our Sustainability and Environment Policy, underpinned by our certified Environmental Management System. Through 2023–24, we continued to implement a wide range of environmental and sustainability programs and initiatives, achieving legislative compliance, and making positive change (see also: Strategic priority – Sustainability, on page 43).

Environmental compliance

Environmental compliance is critical to our business, and we continued to comply with all environmental licenses, environmental discharge requirements and legal obligations this year.

We incorporated ecologically sustainable development in decision-making, as required under the *Territory-owned Corporations Act 1990 (ACT)*, through completion of 15 sustainability assessments which consider environmental and social impacts and opportunities in capital infrastructure project planning.

We aligned with our general environmental duty under ACT, NSW and Commonwealth environmental legislation through completion of seven Development Application approvals, three National Capital Authority Works' approvals, two Environmental Significance Opinions, six Nature Conservation Licenses, and two Environmental Protection and Biodiversity Conservation Act self-referrals for our activities.

Catchments and waterways

Healthy catchments and ecosystems are essential to our work. We conducted inspections of all major reservoirs and water protection zones to ensure the safety of our drinking water supply. These assessments comply with our Source Water Protection Strategy and will inform our formal triennial catchment sanitary survey in 2024.

We have undertaken several environmental programs on our Williamsdale biodiversity offset property, including erosion and sediment control, invasive species management, and riparian (water-adjacent or of significance to water) area fencing.

These programs help improve the property's environmental condition and demonstrate our commitment to source water protection. We also continued to trial intermittent

livestock grazing at our sites to reduce bushfire fuel, better manage invasive weed species, and decrease the cost of maintaining the grounds.

We continue to deliver conservation and rehabilitation programs to help protect threatened species in our water sources. As part of these efforts, we have been working with the University of Canberra to monitor protected fish species in the Cotter catchment using environmental DNA monitoring techniques. We have extended this program to identify carp in farm dams near and upstream of the Googong reservoir. Our ongoing monitoring of Macquarie perch in the Cotter reservoir and Cotter River throughout 2023–24 show a thriving and healthy population of fish, demonstrating successful reproduction rates continue to be upheld in the Cotter reservoir.

We continued to participate in various catchment management forums and community events to influence source water protection. Through our involvement in the ACT and Region Catchment Management Coordination Group, we continued to support the implementation of relevant actions in the ACT Water Strategy 2014–44 and the ACT and Region Catchment Strategy.





BUSHFIRE RISK MANAGEMENT

Bushfires pose a potential threat to our operations which is managed through an annual works program, known as the Bushfire Operational Plan (BOP).

These works primarily involve removing vegetation and other hazards to meet the requirements of the ACT Government's Strategic Bushfire Management Plan and the specific bushfire protection needs of our water and wastewater assets.

The 2023–24 BOP identified 70 hazard reduction works to be completed at raw water dams, major treatment plants, water mains, service reservoirs, pump stations, weather stations, power lines, access roads and other critical assets. All 70 works have been completed in the financial year and an additional 17 sites requiring work outside of the scheduled BOP were completed.

The BOP is approved by the ACT Emergency Services Agency Commissioner, with lists of completed works reported to the Commissioner on a quarterly basis.

The Bureau of Meteorology's forecast of potential impacts for the 2023–24 high risk weather season was used in the review of bushfire scenarios and environmental conditions to assist business preparations.

Several employees were trained in basic wildfire awareness (accredited) and bushfire awareness, which improves staff safety and strengthens interoperability with fire agencies during bushfire response and recovery operations.



RESILIENCE

Icon Water has implemented a holistic resilience program that incorporates emergency, business continuity, and security functions.

The program includes response and recovery plans and related support documentation, as well as training, internal audit and review mechanisms, and an exercise regime that meets the requirements of relevant ACT and NSW legislation and emergency management best practice.

Operationally, the business responded to one emergency incident and prepared for 10 potentially disruptive events. The number of incidents and watch events were lower than recent years, reflecting the stabilisation in climatic conditions compared to recent La Niña events.

Eleven exercises were conducted over the year, and several staff completed Australasian Inter-Service Incident Management System (AIIIMS) training including Liaison Officer training for support to territory-wide exercises and incidents. The exercise and training program provides the business with qualified and experienced staff who can be appointed as members of an Incident Management Team.

As the owner and operator of a water utility with over 100,000 connections, Icon Water is subject to the provisions of the *Security of Critical Infrastructure Act 2018 (Cth)* (SOCI Act) and associated rules. To comply with our SOCI obligations Icon Water has developed, and implemented, a Critical Infrastructure Risk Management Program (CIRMP), as required under Part 2A of the SOCI Act.

Our CIRMP is in place and no notifiable incidents occurred during the reporting period. We have submitted a SOCI compliance report to the Commonwealth Department of Home Affairs as required under Section 30AG of the Act.

Icon Water is represented on the ACT Security and Emergency Management Senior Officers Group, is a member of the Emergency Plans Review Group, and the ACT Critical Infrastructure Working Group. We also participate in other resilience-related forums across jurisdictions and within the ACT and Australian governments.



INTERNAL AUDIT

Icon Water’s internal audit function provides independent, objective assurance and consulting to add value and improve our operations.

Internal audit activity is performed in accordance with established internal procedure, which conforms to:

- the International Standards for the Professional Practice of Internal Auditing
- the requirements of ISO 19011 for the auditing of management systems.

Our internal audit strategy is set annually and is supported by our annual internal audit program.

The 2023–24 audit program incorporated a broad range of performance and compliance-related internal audits.

A key focus was assessing the effectiveness of controls relating to protecting our assets and mitigating the risk of natural hazards on key infrastructure. We also performed compliance reviews relating to confined space management, water quality and quality management systems, and data privacy, and completed targeted health checks over the transition of corporate services.

Internal audit is responsible for:

- maintaining and continually improving an effective internal audit framework that conforms to relevant best practice principles and standards
- developing and executing a broad, comprehensive program of internal audit activity to evaluate and improve the effectiveness of our risk management, quality (internal) control and governance processes necessary to achieve organisational objectives.

The Risk and Assurance Committee operates as a Committee of the Icon Water Board. The role of the Committee is to provide independent assurance and advice to the Board on the integrity of Icon Water’s internal control and compliance framework. The Committee achieves this through its review and independent advice on matters relating to assurance, risk management and internal control, and financial management. In accordance with our internal audit methodology, we report the following to the Risk and Assurance Committee on an ongoing basis:

- the status of audits from the annual internal audit program
- outcomes of all audits contained in the annual internal audit program
- the status of implementation of internal audit recommendations.

TERRITORY RECORDS MANAGEMENT

The Icon Water Records Management Program provides a framework for how we create, manage and dispose of records of business activities.

The program is currently under review and the revised program will be available on our website following finalisation of that review.

We have identified and implemented a business classification scheme and records disposal schedules relevant to Icon Water, based on the revised disposal schedules listed in Table 19.

A recordkeeping maturity assessment will be conducted once every two years. The last assessment was provided to the Territory Records Office (TRO) on 21 April 2023.

Table 18: Records disposal schedules – implemented

Function	Effective	Year and No.
Business development	2009	NI2009-9
Corporate governance	2009	NI2009-10
Finance and treasury management	2017	NI2017-83
Government and stakeholder relations	2017	NI2017-84
Human resources	2017	NI2017-79
Information and communications technology	2017	NI2017-85
Property equipment and fleet	2017	NI2017-86
Records and information management	2017	NI2017-87
Sewerage management	2014	NI2014-290
Solicitor and legal services	2017	NI2017-88
Strategy and governance	2017	NI2017-89
Water management	2014	NI2014-291



FRAUD PREVENTION

At Icon Water we promote a culture of ethical conduct and are committed to minimising the occurrence of fraud and corruption.

Icon Water's management of fraud and corruption control framework is based on the Australian Standard AS8001: 2021 *Fraud and corruption control*. Effective fraud and corruption control comprises four main elements:

- prevention – measures to prevent fraud and corruption from occurring
- detection – strategies that identify when fraud or corruption has occurred
- response – what is done when fraud or corruption has occurred

- evaluation – the process to determine if the right mechanisms are in place to sufficiently identify and respond to fraud and corruption occurrences.

Fraud prevention includes regular formal fraud awareness training during induction for new staff and contractors and regular refresher training for existing staff.

We review our fraud controls annually to assess their effectiveness and identify opportunities to improve and enhance risk mitigation. This is done in consultation with risk owners, control owners and other stakeholders across Icon Water to improve the education and awareness of fraud and corruption control.

During 2023-24 there was one investigation of theft by an employee which was substantiated and disciplinary action was taken.

Over the reporting period we continued to identify instances of alleged unlawful connections to the water network. We undertook several actions to reduce and/or rectify these reported cases which can result in water loss, loss of revenue and increased risk of network contamination due to backflow. These include a new tagging system for new connections that more clearly specifies the requirements for meter installation and legal risks associated with unmetered usage, proactive detection and internal education on reporting procedures.

FREEDOM OF INFORMATION

Icon Water is a company wholly owned by the ACT Government, established under the *Corporations Act 2001*, and is subject to the *Freedom of Information Act 2016* (FOI Act 2016).

Our registered office is in the central business district, is wheelchair accessible and central to public transport. Icon Water's principal place of business is in Mitchell, ACT, and is wheelchair accessible.

We provide phone, email and online services to communicate with the community, as well as other forms of public interaction and engagement, including sponsorships and customer satisfaction surveys.

We also carry out a broad range of education activities with groups in the community (including schools) which demonstrate the value of our services and infrastructure.

Information of interest to the public, such as service interruptions, water storage levels, water quality standards, price/service charges, water meters, drain care, sponsorship, water conservation and service obligations outlined in the Consumer Protection Code are available on the Icon Water website.

Icon Water maintains an Integrated Management System (IMS) of documents including policies, procedures, work instructions and forms. Documents in the possession of Icon Water relate to all business and operational activities and are categorised in line with the *Territory Records Act 2002*.

Documents of interest to the public may be available through our

website or available under open access information via iconwater.com.au/FOI. Where documents are not available on our website, we may be able to give access to documents without a formal freedom of information request reducing time and potential costs.

General inquiries and requests for access to documents held by Icon Water can be made to:

The Company Secretary
Freedom of Information Requests
Icon Water Limited
PO Box 50
Mitchell ACT 2601

Alternatively, by contacting Icon Water by email via talktous@iconwater.com.au or by phone on 02 6248 3111.

FOI requests 1 July 2023 to 30 June 2024

Icon Water received eight requests for access to documents under section 30 of the FOI Act 2016 during the reporting period and six of these have been processed. Three applications were granted in full or in part:

- One application was granted with full access to documents.
- One application was partially granted because of the redaction of personal information.
- One application was divided into eight parts, with each of those parts falling into one of the following decision categories: access partially granted because of the redaction of personal information; access partially granted because the disclosure of some information was contrary to the public interest; access refused because the information was already publicly

available; access refused because the information requested never existed or was never created.

Three applications were refused in full:

- One application was refused as the information was already publicly available.
- Two applications were refused because the information never existed or was never created.

Two applications are still being processed.

All of the processed applications, were processed within the required timeframes. All applications were processed at no cost to the applicants. The documents disclosed in these applications can be found in the FOI disclosure log on Icon Water's website at iconwater.com.au/FOI.

Two applications for review were made to the ACT Ombudsman under section 74 during 2022–23. These review applications were finalised during the current reporting period, with the ACT Ombudsman setting aside and making a substitute decision in one and the application being withdrawn by the applicant in the other. No applications were made to the ACT Ombudsman under section 74 or to ACAT under section 84 of the FOI Act 2016 during 2023–24.

No applications were received for amendment of personal records under section 59 of the FOI Act 2016.

No applications were received to publish open access information.

MODERN SLAVERY

At Icon Water, we respect human rights and consider modern slavery in any form to be unacceptable. Modern slavery refers to the exploitation of individuals through forced labour, debt bondage, human trafficking, and other forms of coercive labour practices.

We procure a large variety of goods, works and services. Although 97 per cent of our current suppliers are based in Australia and as such present a lower risk profile, we understand that many of our suppliers procure materials or services from overseas. We have processes in place to support cooperation with our suppliers to identify and address modern slavery risks in their supply chains.

To date, we have not identified any instances of modern slavery in connection with our business. Notwithstanding, we acknowledge that tackling modern slavery requires an ongoing focus. In 2023–24, we

have taken new actions to progress our three-phased approach: policies and publications; training and capacity building; and supply chain due diligence. Our fourth Modern Slavery Statement for 2022–23 was delivered as required by the Modern Slavery Act 2018 (Cth). This highlighted key progress made, including our refreshed procurement framework and our ongoing involvement with the Water Services Association of Australia Modern Slavery Community of Practice.

Our approach will continue to evolve as we learn more from our collaboration with industry and suppliers.

PUBLIC INTEREST DISCLOSURE

Icon Water complies with public interest disclosure under both the ACT and Commonwealth laws.

While these laws vary to some extent, they provide for reporting of wrongdoing and for the rights and protection of people who report illegal or improper conduct or substantial waste of public resources.

We are committed to upholding our core values and ethical and lawful conduct in all aspects of our business. We encourage reporting and are committed to ensuring that people can raise genuine concerns about suspected wrongdoing in a safe way, without fear of reprisal or detrimental treatment.

Our Whistleblower Policy is published on our website, together with information about how to make a public interest disclosure. Icon Water manages public interest disclosures in accordance with the Public Interest Disclosure (*Integrity Commission – Managing Disclosures and Conducting Investigations Guidelines 2021* issued by the ACT Integrity Commissioner).

LEGAL SERVICES DIRECTION

Icon Water is a separate legal entity from the Australian Capital Territory and we comply with our obligations under the *Law Officers (General) Legal Services Directions 2012 (ACT)* and the *Law Officer (Model Litigant) Guidelines 2010 (ACT)*. In relation to civil claims and litigation, we use the legal services of various external legal firms. These firms are to act in a manner consistent with the Model Litigant Guidelines when performing relevant legal services for Icon Water or its subsidiaries. This is in addition to the professional and ethical duties with which solicitors are required to comply under the *Legal Profession Act 2006 (ACT)*, the *Legal Profession Regulation 2007 (ACT)* and the *Legal Profession (Solicitors) Conduct Rules 2015 (ACT)*.

HUMAN RIGHTS ACT

Icon Water's Code of Conduct and related procedures outline our corporate behaviour standards, including in relation to protecting human rights in accordance with the *Human Rights Act 2004 (ACT)*.

There were no complaints made about Icon Water or its subsidiaries to the ACT Human Rights Commission during the reporting year.

LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

Select Committee on Estimates 2022–23 – Inquiry into the Appropriation Bill 2022-23 and Appropriation (Office of the Legislative Assembly) Bill 2022-23 Report, September 2022

Recommendation No. and Summary	Action 2023-24	Status
<p>Recommendation 34 Icon Water examine the reasons for the MIB contamination to supply long-term high-quality drinking water.</p> <p>Government response Agreed.</p>	<p>Following the initial detection of elevated MIB in June 2022, levels were seen to decrease to less than half of the Australian Drinking Water Guideline (ADWG) taste detection levels by December 2022 and have been stable since. No customer contact relating to the event has occurred since 10 September 2022.</p> <p>We continue surveillance monitoring (both from Bendora and Cotter Dams and at our Stromlo Water Treatment Plant).</p> <p>Although causes are still not fully understood, through collaboration with industry peers, it has been identified that the occurrence was not isolated to the ACT, and that other Australian utilities had similar experiences during the same period.</p> <p>Icon Water have responded to the MIB event with the introduction of a response management plan that formalises actions to be taken should detection above the ADWG taste detection levels or repeated customer complaints occur in the future.</p>	Complete
<p>Recommendation 35 Icon Water should provide as part of the recorded message on known issues a pathway option to leave customer feedback.</p> <p>Government Response Agreed in principle.</p>	<p>The new telephony system has been delayed and is now scheduled for implementation in August 2024. The first phase is a basic upgrade to a more contemporary version of the system. This includes the ability for customers to hold place in queue and receive an auto call back avoiding the need to actively wait on hold.</p>	Complete

Report No. 8 of the Standing Committee on Public Accounts Inquiry into Annual and Financial reports 2020–21

Recommendation No. and Summary	Action 2023-24	Status
<p>Recommendation 4 Icon Water provide more detailed data on reliable water supply performance indicator and its target for unplanned interruptions.</p> <p>Government Response Agreed</p>	<p>Icon Water's 2023–24 Business Strategy (Statement of Corporate Intent) includes updated KPIs to align to our Price Proposal, which includes more detail on the reliability performance indicators. The strategy is available on the Icon Water website. Our 2023–24 Annual Report advises on our performance against these updated KPIs.</p> <p>The updated KPIs include:</p> <ul style="list-style-type: none"> ▪ planned work completed on the water network ▪ planned work completed on sewer network ▪ percentage of connections with >3 water or wastewater interruptions per year ▪ percentage of connections with a water or wastewater interruption >6 hours ▪ average response time between fault logged and crew onsite ▪ respond to Priority 1 activities within 120 mins¹ 	Complete

Select Committee on Estimates 2018–19 – Appropriation Bill 2018–2019 and Appropriation (Office of the Legislative Assembly) Bill 2018–2019 Report, July 2018

Recommendation No. and Summary	Action 2023-24	Status
<p>Recommendation 52 Icon Water should undertake an independent market appraisal of the value of the services provided in the Service Agreements with ActewAGL.</p> <p>Government Response Agreed in principle.</p>	<p>Icon Water continues to implement the corporate services sourcing strategy. Further information on the activities underway to support transition of all services under the corporate services agreement are available on Icon Water's website and on page 51 of this Report</p>	In progress

¹ Priority 1 activity is where a customer is experiencing total loss of water supply; a wastewater overflow to a dwelling or property; or an event causing major property damage, personal injury, public health risk or damage to the environment.

AUDITOR-GENERAL AND OMBUDSMAN REPORTS

ACT Auditor-General's report 2022-23 Financial Audits Financial Results and Audit Findings Report No. 11/2023

No new audit findings were identified for Icon Water

Recommendation No. and Summary	Action	Status
<p>One partially resolved finding identified in 2020-21 was fully resolved:</p> <p>Review and update its accounting policy and procedures for revaluing water and sewerage assets to ensure that they comply with current Australian Accounting Standards, so that these assets are correctly recorded at fair value in the financial reports.</p>	<p>Icon Water has practically applied the accounting policy for revaluing water and sewerage assets</p>	<p>Resolved</p>

Ombudsman Reports

There were no Ombudsman reports relating to Icon Water during 2023–24.



FINANCIAL
REPORTS

FINANCIAL MANAGEMENT ANALYSIS

The following financial information is based on audited Financial Statements for 2023–24 and comparatives for the 2022–23 financial year.

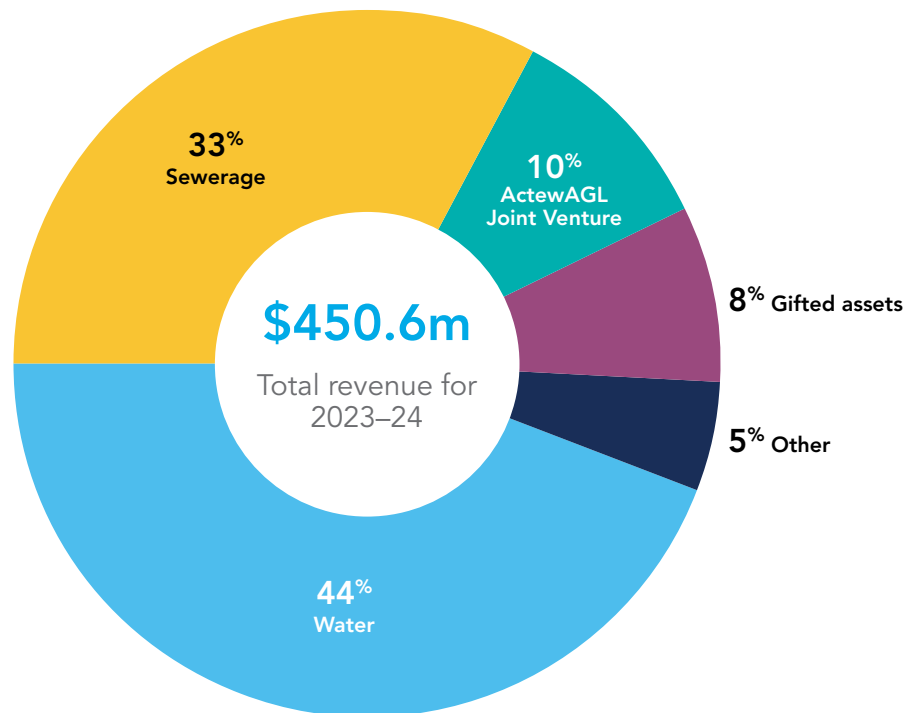
Operating Result

Icon Water recorded a net profit after tax for the year 2023–24 of \$31.5m (2022–23: \$59.7m).

The operating result has reduced compared to the prior year due to lower profits from the ActewAGL joint venture primarily related to the continued effects of large-scale feed in tariff fluctuations. This result was offset by lower operating expenditure and the effects of increased regulated prices for water and sewerage services.

Total Revenue

During 2023–24 Icon Water derived \$450.6m in revenue and joint venture income. The components of this are depicted in the following graph:

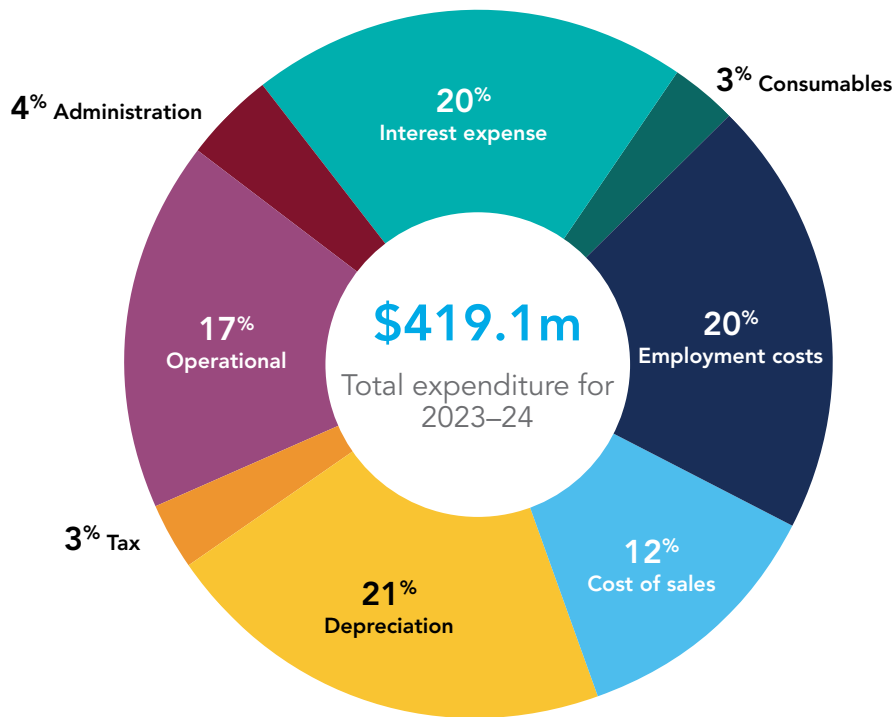


Comparison to 2022–23 Total Revenue

Total revenue was \$42.7m lower than 2022–23 mainly due to a \$110.6m reduction of profits from the ActewAGL Joint Venture driven by the continued effects of large-scale feed in tariff fluctuations. This was offset by a \$23.6m increase in gifted asset revenue and a \$39.7m increase to water and sewerage revenue due to the effects of increased regulated prices following the latest pricing determination, as well as an increase in water consumption with drier conditions compared to 2022–23.

Total Expenditure

During 2023–24 Icon Water incurred \$419.1m in expenditure. The components of this are depicted in the following graph:



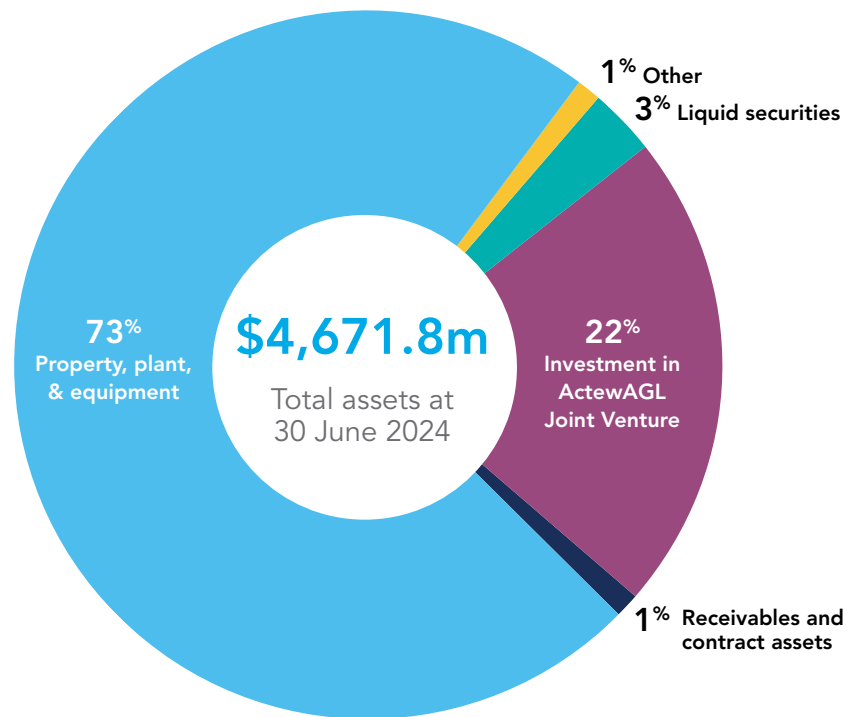
Comparison to 2022–23 Total Expenditure

Total expenditure was \$14.6m lower than 2022–23 mainly due to the following factors:

- Lower interest expenses of \$22.6m due to the lower consumer price index which is linked to indexed bonds within the borrowings portfolio;
- Higher operational expenditure of \$20.4m primarily due to the program of works to transition various corporate services into Icon Water; water abstraction charges related to the higher consumption; provision for future decommissioning and disposal of surplus assets and higher depreciation, predominantly related to the impact of the upwards revaluation of infrastructure assets in 2022–23; and
- Lower income tax equivalents expense of \$12.4m resulting from the corresponding decrease in operating profit.

Total Assets

Icon Water has \$4,671.8m in assets at 30 June 2024. The components are as depicted in the following graph:

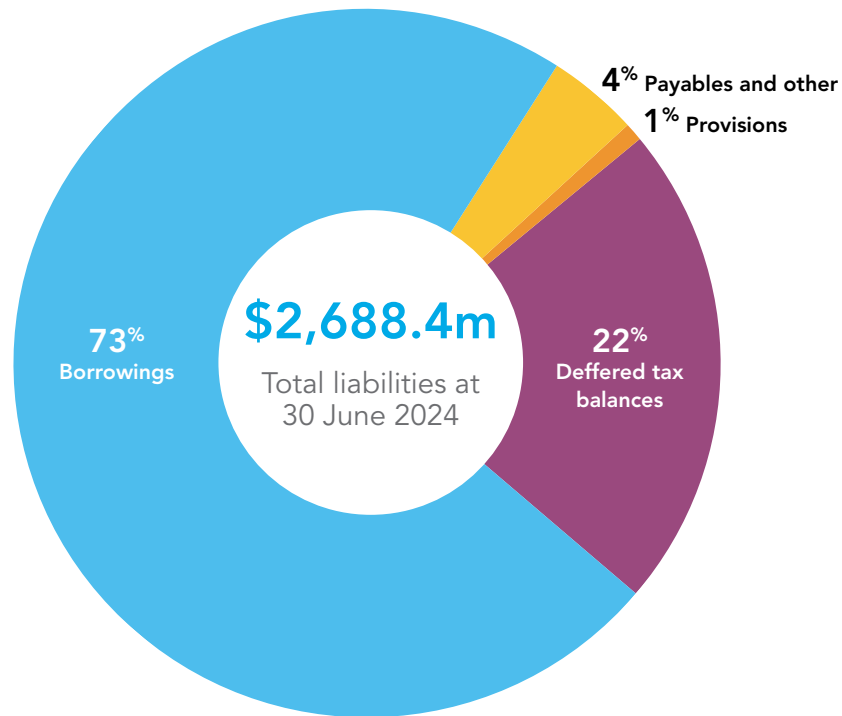


The major components are as follows:

- Property, plant and equipment totalling \$3,410.7m consisting of Icon Water's water and sewerage infrastructure assets; and
- Investment of \$1,006.1m in the ActewAGL Joint Venture partnerships, consisting of two separate businesses, energy retail and energy distribution.

Total Liabilities

Icon Water has \$2,688.4m in liabilities. The components are as depicted in the following graph:



The major components are as follows:

- Borrowings valued at \$1,957.3m at 30 June 2024. During the period, Icon Water refinanced a \$100m Medium Term Note with a new facility which will mature in 2036.
- Deferred tax liability at 30 June 2024 of \$602.2m. This amount is mainly due to the tax effect of revaluation adjustments to the fair value of land and building assets, water and sewerage infrastructure assets and the infrastructure assets held within the investment in ActewAGL Joint Venture partnerships.

Payments to the ACT Government

Payments to the ACT Government during 2023–24 included income tax equivalent payments of \$18.8m, (2022–23 \$28.6m). The shareholders of Icon Water maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. During the year ended 30 June 2024, net profit after tax less gifted assets revenue totalled \$0, (2022–23: \$0).



**Icon Water Limited and
Controlled Entities**

ABN 86 069 381 960

ANNUAL REPORT

For the year ended
30 June 2024

Icon Water Limited and Controlled Entities

ABN 86 069 381 960

Annual Report for the year
ended 30 June 2024

Contents	Page
Directors' report.....	1
Independent auditor's report.....	12
Auditor's independence declaration.....	14
Financial statements	15
Consolidated statement of profit or loss and other comprehensive income.....	15
Consolidated balance sheet.....	16
Consolidated statement of cash flows.....	17
Consolidated statement of changes in equity.....	18
Notes to the financial statements.....	19
Appendix to the financial statements.....	64
Directors' declaration.....	65

The financial statements are the consolidated financial statements for Icon Water Limited and its controlled entities. A list of major subsidiaries is disclosed in Note 11. The financial statements are presented in Australian dollars (AUD).

Icon Water Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 8, which does not form part of the financial statements.

The financial statements were authorised for issue on 5 September 2024. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report on the consolidated entity (referred to hereafter as 'the Group' or 'Icon Water'), consisting of Icon Water Limited and its controlled entities for the year ended 30 June 2024.

Directors

The following persons held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Term concluded 17 August 2024

Wendy Caird was first appointed to the Icon Water Board in December 2009, she was appointed as Acting Deputy Chair from July 2013 and Deputy Chair in March 2014. Due to her extensive knowledge of Icon Water's business, and experience on the ActewAGL Partnerships Board, Ms Caird was appointed as Chair of the Icon Water Board, Icon Distribution Investments Limited, Icon Retail Investments Limited, and the Icon Water Remuneration Committee from March 2017 until her retirement in August 2024. Ms Caird served as Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022 and was a member of the ActewAGL Partnerships Board until 31 January 2023.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Chair (from 18 August 2024)

BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2013

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023 and as Chair from November 2023.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member of the Services Australia Audit & Risk Committee and Chair of the Department of Home Affairs Audit and Risk Committee, amongst others. Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor

Directors (continued)

Ray Hezkial, Managing Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Appointed 29 November 2018

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his

previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Peter Dennis, Deputy Chair (from 18 August 2024)

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Appointed 2 May 2020

Peter Dennis was appointed to the Icon Water Board, and as a Director of the Icon Retail Investments Limited Board and the Icon Distribution Investments Limited Board, as well as the Icon Water Remuneration Committee in May 2020. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Icon Water Board's Risk and Assurance Committee in June 2023 and was appointed as Chair in August 2024.

Mr Dennis is General Manager of Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management including

strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years.

Directors (continued)

Brett Tucker, Director

BRurSc, Grad.Cert Accounting and Finance, MAICD, Churchill Fellow

Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017. He was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Tucker was also a Member of the Icon Water Board's Risk and Assurance Committee until April 2023.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy, governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Term concluded 31 October 2023

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission. Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director

General of the ACT Environment, Planning and Sustainable Development Directorate (2013 2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Appointed 2 May 2020

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher was a member of the Icon Water on the Risk and Assurance Committee until February 2024. Dr Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years

serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Julie-Anne Schafer, Director

LLB (Hons), ANZIIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and Local Buy Pty Ltd.

Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She is President of the National Competition Council and chairs several Audit and Risk Committees.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board and the Icon Water Remuneration Committee from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023.

Mr Buchanan has more than 20 years of community engagement experience on wellbeing, cultural and natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement on energy issues as manager of the ACT Energised

Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and Care Financial Counselling Services (since 2023), and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board, the Icon Water Remuneration Committee, and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited from 1 November 2023. Dr Mundy joined the Icon Water Board's Risk and Assurance Committee in February 2024.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority and a Special Advisor to the Australian Restructuring Insolvency and Turnaround Association and Igneo Infrastructure Partners.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the

Dr Nadine White, Director

LLB (Hons), BLA, PhD, GAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board, the Icon Water Remuneration Committee and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited in August 2024. She is an experienced independent non-executive director in both the public and private sectors, having served previously on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White has been a Director with Care Connect Ltd since 2019; Scope Australia Ltd since 2022, Community Services #1 during 2022-2023, and in 2023 was appointed as a Director to Goodwin Aged Care Services and Dietitians Australia.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope

Australian Competitive Neutrality Commissioner. Dr Mundy recently undertook an independent review of Australia's National Legal Assistance Partnership for Australia's Attorneys General.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of Transgrid, Sydney Desalination Plant, Vicforests, Western Community Legal Services, James Watt College for Higher and Further Education, United Kingdom Airports Operators Association and the National Health Co-operative.

Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Graduate of the Australian Institute of Company Directors.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and are responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The table below details the number of Board and Committee meetings held and attended by directors during the year ended 30 June 2024.

	Icon Water Board		Risk and Assurance Committee		Remuneration Committee	
	A	B	A	B	A	B
Managing Director						
Ray Hezkial	8	8	-	-	2	2
Non-Executive Directors						
Wendy Caird	8	8	-	-	2	2
Carol Lilley	8	8	4	4	2	2
Dr Warren Mundy	5	6	2	2	1	1
Brett Tucker	-	-	-	-	-	-
Dorte Ekelund	2	2	-	-	1	1
Dr Helen Locher	6	8	2	2	2	2
Peter Dennis	8	8	4	4	2	2
Julie-Anne Schafer	7	8	-	-	2	2
Geoffrey Buchanan	8	8	-	-	2	2
Dr Nadine White	-	-	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the period

Principal activities

Icon Water is an unlisted public company whose primary business is the delivery of water, sewerage and associated services. Icon Water owns and operates the ACT's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewage pumping stations, mains and other related infrastructure. Icon Water is owned by the ACT Government and has two voting shareholders, the Chief Minister of the ACT and the Minister for Water, Energy and Emissions Reduction. Icon Water, through its wholly-owned subsidiaries, Icon Distribution Investments Limited and Icon Retail Investments Limited, is also a 50% partner in the ActewAGL Joint Venture.

The ActewAGL Joint Venture consists of two partnerships:

- ActewAGL Distribution Partnership (Distribution Partnership), which owns the gas distribution networks and owns and operates the electricity distribution networks in the ACT, Shoalhaven and Queanbeyan regions.
- ActewAGL Retail Partnership (Retail Partnership), which sells electricity, gas and other services to its retail and commercial customers in the ACT and surrounding regions (including Goulburn, Boorowa, Yass, Young and Shoalhaven).

The principal activities of Icon Water's subsidiary companies are as follows:

- Icon Distribution Investments Limited - a holding company for Icon Water's interest in the Distribution Partnership of the ActewAGL Joint Venture.
- Icon Retail Investments Limited - a holding company for Icon Water's interest in the Retail Partnership of the ActewAGL Joint Venture.

Review of operations

A summary of the revenue and results is set out below.

	2024 \$'000	2023 \$'000
Revenue from contracts with customers, other income and finance income	404,036	336,096
Share of net profit from ActewAGL partnerships	46,593	157,234
Total revenue and share of net profit from the ActewAGL partnerships	450,629	493,330
Profit before income tax equivalents expense	44,982	85,525
Income tax equivalents expense	(13,436)	(25,840)
Profit for the year	31,546	59,685
Payments to the ACT Government		
Interim dividend for current year profit	-	-
Final dividend for previous year profit	-	20,390
	-	20,390
Income tax equivalents payments	18,754	28,553
Total payments to the ACT Government	18,754	48,943

Dividends

Dividends paid or declared by Icon Water to its owner, the ACT Government, during the financial year are set out in note 6 of the consolidated financial statements.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Water during the year ended 30 June 2024.

Matters subsequent to the end of the financial year

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Regulation and licence compliance

Licence to provide water and sewerage services

Icon Water must comply with the obligations set out in the licence to provide water and sewerage services, which was issued by the Independent Competition and Regulatory Commission (ICRC) under the *Utilities Act 2000 (ACT)* on 29 June 2001 (Licence). The Licence requires Icon Water to comply with all applicable laws and the *Utilities Act 2000 (ACT)* (including any regulations, industry codes, technical codes and directions under this Act). Icon Water reports on its compliance with the Licence to the ICRC each year.

During the year ending 30 June 2024, Icon Water reported no material breaches of any applicable law or the Licence, with materiality determined in accordance with the ICRC Material Breach Guideline.

Environmental Regulations

There are two key environmental approvals relevant to operational compliance performance. In accordance with the *Environment Protection Act 1997 (ACT)*, Icon Water is subject to an Environmental Authorisation for water discharges and air emissions from the Lower Molonglo Water Quality Control Centre (LMWQCC). Icon Water is also subject to a New South Wales Environment Protection Licence for water discharge from the Googong Water Treatment Plant in accordance with the *Protection of the Environment (Operations) Act 1997 (NSW)*.

Icon Water holds several other environmental activity approvals, approved management plans and development approval conditions for both operational and project activities that require compliance.

During the financial year, Icon Water materially complied with all requirements in respect to these licences, approvals and associated legislation. There were instances where there were delays in relation to sampling which did not result in infringement notices or fines. There were notifiable incidents, primarily relating to sewer overflows and stack emission exceedances from LMWQCC. All notifiable incidents were reported to the ACT or NSW Environment Protection Authority (as relevant) and have not resulted in infringement notices or fines.

Regulation and licence compliance (continued)

Licence to Take Water

Issued by the ACT Environment Protection Authority (EPA) under the *Water Resources Act 2007 (ACT)*, the 'Licence to Take Water' provides for taking of water covered by water access entitlements and the protection of environmental flows. Icon Water provided the 2022-23 annual report to the EPA on 31 October 2023. Icon Water complied with the requirements of the licence throughout 2023-24. Icon Water provided monthly reports to the EPA detailing compliance with the environmental flow requirements.

Drinking Water Utility Licence

Icon Water has a 'Drinking Water Utility Licence' issued by the ACT Health Directorate, which authorises Icon Water to carry on the Operation of Drinking Water Utility under the *Public Health Act 1997 (ACT)*. Icon Water provided water in accordance with the *Australian Drinking Water Guidelines 2011* and provided notification reports to the ACT Health Directorate throughout 2023-24. Icon Water complied with the requirements of the licence throughout 2023-24.

Insurance of officers and directors

During the year, Icon Water paid a premium of \$236,253 (30 June 2023: \$242,635) in respect of a contract insuring the directors and officers of Icon Water Limited and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Water, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events during the directors' Icon Water service.

No claim has been made against the officers and directors insurance policy during the 2023-24 financial year.

Indemnity of officers and directors

Icon Water has indemnified directors and officers of Icon Water and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company of Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

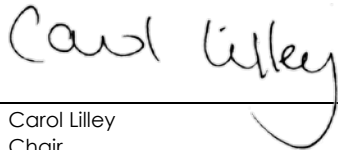
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

Rounding of amounts

Icon Water Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Managing Director

Canberra
5 September 2024



Peter Dennis
Risk and Assurance Committee, Chair

Canberra
5 September 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Water Limited

Opinion

I have audited the consolidated financial report of Icon Water Limited and its Controlled Entities (Group) for the year ended 30 June 2024 which comprises the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, directors' declaration and notes to the consolidated financial statements, including material accounting policy information, consolidated entity disclosure statement and other explanatory notes.

In my opinion, the consolidated financial report:

- (i) presents fairly, in all material respects, the Group's consolidated financial position as at 30 June 2024, its consolidated financial performance and consolidated cash flows for the year then ended; and
- (ii) Is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the '*Auditor's responsibilities for the audit of the consolidated financial report*' section of this report.

I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Group for the financial report

The directors of the Group are responsible for:

- preparing and fairly presenting the consolidated financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of the consolidated financial so that it is free from material misstatement, whether due to error or fraud; and
- assessing the ability of the Group to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the consolidated financial report.

Auditor's responsibilities for the audit of the consolidated financial report

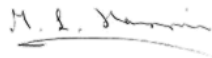
My objective is to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the Group's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the consolidated financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for our audit opinion.

I communicate with the directors of the Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General
5 September 2024



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Water Limited and its Controlled Entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

This declaration is in respect of Icon Water Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M. Harris'.

Michael Harris
Auditor-General
5 September 2024

Consolidated statement of profit or loss and other comprehensive income

	Note	2024 \$'000	2023 \$'000
Revenue from contracts with customers	3a	395,459	331,714
Cost of providing goods and services	4b	(323,177)	(302,777)
Other income	4a	4,051	2,106
Operating profit		76,333	31,043
Finance income	4c	4,526	2,276
Finance costs	4c	(82,470)	(105,028)
Net finance costs		(77,944)	(102,752)
Share of net profit of joint venture partnerships accounted for using the equity method	8c	46,593	157,234
Profit before income tax equivalents expense		44,982	85,525
Income tax equivalents expense	5a	(13,436)	(25,840)
Profit for the year		31,546	59,685
Other comprehensive income			
Revaluation decrement of plant and equipment assets in the ActewAGL investment	8c	(23,887)	(64,684)
Property, plant and equipment revaluation increment	8d	-	207,894
Income tax relating to components of other comprehensive income	5c	7,166	(42,963)
Items that will not be reclassified subsequently to profit or loss		(16,721)	100,247
Total comprehensive income for the year		14,825	159,932
Total comprehensive income is attributable to:			
Owners of Icon Water Limited and Controlled Entities		14,825	159,932

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

	Note	2024 \$'000	2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7a	125,679	83,898
Trade and other receivables	7b	35,531	32,657
Contract assets	3b	22,735	20,152
Prepayments	8a	5,665	5,260
Inventories	8b	6,925	5,720
Current tax receivable		-	1,499
Total current assets		196,535	149,186
Non-current assets			
Prepayments	8a	3,790	3,772
Investments accounted for using the equity method	8c	1,006,137	1,042,732
Property, plant and equipment	8d	3,410,697	3,382,880
Right-of-use assets	8e	5,545	3,232
Investment property	8f	18,250	17,750
Intangible assets	8g	30,817	32,748
Total non-current assets		4,475,236	4,483,114
Total assets		4,671,771	4,632,300
LIABILITIES			
Current liabilities			
Trade and other payables	7c	59,652	49,128
Contract liabilities	3b	8,108	9,651
Lease liabilities	8e	1,627	1,616
Borrowings	7d	-	99,813
Provisions	8h	26,729	25,435
Current tax payable		6,579	-
Total current liabilities		102,695	185,643
Non-current liabilities			
Borrowings	7d	1,957,362	1,837,678
Lease liabilities	8e	2,737	1,376
Provisions	8h	10,424	11,529
Contract liabilities	3b	12,931	10,102
Deferred tax balances	8i	602,243	617,418
Total non-current liabilities		2,585,697	2,478,103
Total liabilities		2,688,392	2,663,746
Net assets		1,983,379	1,968,554
EQUITY			
Share capital	9a	758,871	758,871
Reserves	9b	872,470	889,191
Retained profits		352,038	320,492
Total equity		1,983,379	1,968,554

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		361,418	329,923
Payments to suppliers and employees (inclusive of GST)		(209,605)	(219,657)
		151,813	110,266
Interest received		4,123	2,199
Income tax equivalents paid		(18,754)	(28,553)
Interest paid		(88,192)	(107,550)
Net cash inflow/(outflow) from operating activities		48,990	(23,638)
Cash flows from investing activities			
Payments for property, plant and equipment		(53,240)	(78,464)
Payments for intangible assets		(6,488)	(4,453)
Proceeds from sale of assets		19	13
Distributions received from joint venture partnership	8c	59,300	42,000
Net cash (outflow) from investing activities		(409)	(40,904)
Cash flows from financing activities			
Proceeds from borrowings		99,072	81,657
Repayment of borrowings		(100,000)	-
Dividends paid	6	-	(20,390)
Payment of lease liabilities		(5,872)	(2,771)
Net cash (outflow)/inflow from financing activities		(6,800)	58,496
Net increase/(decrease) in cash and cash equivalents		41,781	(6,046)
Cash and cash equivalents at the beginning of the financial year		83,898	89,944
Cash and cash equivalents at end of the financial year	7a	125,679	83,898

Cash flows are included in the consolidated statement of cash flows on a gross basis. The Goods and Services Tax (GST) component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the Australian Taxation Office (ATO) is classified within operating cash flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

	Attributable to the owners of Icon Water Limited and Controlled Entities				
	Note	Share capital \$'000	Asset revaluation reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022		758,871	788,944	260,807	1,808,622
Profit for the year		-	-	59,685	59,685
Other comprehensive income		-	100,247	-	100,247
Total comprehensive income for the year		-	100,247	59,685	159,932
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	-	-
Balance at 30 June 2023		758,871	889,191	320,492	1,968,554
Balance at 1 July 2023		758,871	889,191	320,492	1,968,554
Profit for the year		-	-	31,546	31,546
Other comprehensive income		-	(16,721)	-	(16,721)
Total comprehensive income for the year		-	(16,721)	31,546	14,825
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	-	-
Balance at 30 June 2024		758,871	872,470	352,038	1,983,379

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

How the numbers are calculated

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- (b) Analysis and sub-totals, including segment information.
- (c) Information about estimates and judgements made in relation to particular items are included in the notes to the financial statements.

- 1. Material accounting policies
- 2. Segment information
- 3. Revenue from contracts with customers
- 4. Other income and expense items
- 5. Income tax equivalents expense
- 6. Dividends
- 7. Financial assets and liabilities
- 8. Non-financial assets and liabilities
- 9. Equity
- 10. Remuneration of auditors

Group structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about the Group's interests in joint ventures, which are accounted for as equity accounted investments (refer note 12). A list of significant investments in subsidiaries is provided in note 11.

- 11. Investments in controlled entities
- 12. Interests in joint ventures
- 13. Parent entity financial information

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

- 14. Contingencies
- 15. Commitments for expenditure
- 16. Events occurring after the reporting period

Key management personnel and related parties

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

- 17. Key management personnel
- 18. Related party transactions

How the numbers are calculated

1. Material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Water Group is a for-profit entity for the purpose of preparing the financial statements.

(i) *Compliance with Australian Accounting Standards – Simplified Disclosure Requirements*

The consolidated financial statements of the Group comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) *Early adoption of standards*

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year.

(iii) *New and amended accounting standards adopted by the Group*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iv) *Impact of accounting standards issued but not yet applied by the Group*

There are certain new accounting standards, amendments to standards and interpretations that have been published, that are not mandatory for the current reporting period and have not been early adopted by the Group. While these remain subject to ongoing assessment, these standards are not expected to have a material impact on the Group or its controlled entities, in the current or future reporting periods and on foreseeable future transactions.

(v) *Historical cost convention*

These financial statements have been prepared on a historical cost basis except those assets and liabilities recognised at fair value including property, plant and equipment, investment properties and carbon credits.

(vi) *Going concern*

The financial statements have been prepared on a going concern basis.

b) Rounding and presentation of amounts

Icon Water Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar. Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

d) Impact of climate change related risk

As the ACT region's water and sewerage utility, Icon Water's operations and financial results are affected by weather, rainfall cycles and climate change. Climate change may increase the occurrence of extreme events, such as bushfires, drought, floods and heat waves. These extreme events will have an impact on Icon Water's financial results through changing the demand for water and also increasing operating and capital costs.

Climate change may also cause the ACT region's average temperatures to increase which may result in increased consumption of water (revenue) and a corresponding increase to the operating expenditure to supply that water, especially if dam levels are low. Wetter conditions could result in reduced consumption of water (revenue). The demand for water may also impact the useful life of the water and sewerage infrastructure assets. Potential secondary impacts such as decline in water quality may affect water availability and treatment costs. Climate change may result in additional infrastructure assets being constructed to ensure the ACT region's longer term water security. Potential changes to the demand for water, the useful life of assets and the requirement to enhance existing assets may have an impact on the future price of water charged to the community.

Icon Water has a significant investment in the ActewAGL partnerships which own and/or operate gas and electricity distribution networks, in addition to selling electricity, gas and other services in the ACT and surrounding regions. The ACT Government's response to climate change includes a policy to reduce electricity emissions to zero and achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities.

The changes in the prevailing policy environment have been a key consideration in determining the fair value assessment of the plant and equipment assets within the ActewAGL Distribution Partnership as at 30 June 2024. The outcome of the combined quantitative and qualitative assessment determined that the fair value of these assets was below the carrying value held by Icon Water. This has resulted in the recognition of a revaluation decrement of \$23.9 million within the Asset revaluation reserve (2023: \$64.7 million decrement). Refer to note 8c for further information.

However, considerable uncertainty remains as the energy transition is expected to negatively impact gas demand and customer numbers over the longer term, with some related demand uplift for electricity. In the event that network price caps are put in place that limit the ability to recover the full value of the gas regulated asset base in the ActewAGL Distribution Partnership, this will negatively impact the fair value of the gas network unless future changes to current regulatory pricing mechanisms to deal with potential stranded assets and/or access to other forms of recovery through government compensation is accommodated in the medium to longer term. The next five-year regulatory pricing period for gas commencing on 1 July 2026 may consider several responses including accelerated depreciation, decommissioning costs and price caps on increases, which will provide a better view as to modelling the future cashflows of the gas network but considerable uncertainty presently exists with respect to the future regulatory response for gas. This may result in a material change to the estimated cash inflows expected to be received by Icon Distribution Investment Limited from its investment in the ActewAGL Distribution Partnership and the resultant fair value of the gas assets in future periods.

2. Segment information

Description of segments and principal activities

Management has determined the operating segments that are used to make strategic decisions are as follows:

Reportable business segment	Principal activities
Water	The supply of water services and the owner and operator of the ACT's network of dams, water treatment plants, reservoirs, water mains and other related infrastructure.
Sewerage	The provision of sewerage services and maintenance of sewage treatment plants within the ACT.
Investments	The business activities of the controlled entities and investing activities of the parent company.

Year ended 30 June 2024	Water \$'000	Sewerage \$'000	Investments ¹ \$'000	Unallocated \$'000	Consolidated \$'000
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	197,735	146,378	46,593	-	390,706
Other revenue	1,984	2,067	-	4,526	8,577
Commonwealth subvention revenue	-	13,830	-	-	13,830
Gifted assets revenue	20,161	17,356	-	-	37,517
Total segment revenue	219,880	179,631	46,593	4,526	450,630
Interest expense	22,421	29,197	30,852	-	82,470
Segment result before income tax equivalents expense	10,999	14,322	15,135	4,526	44,982
Income tax equivalents expense					13,436
Profit for the year					31,546
Consolidated balance sheet					
Segment assets	1,945,129	1,589,886	1,010,532	126,224	4,671,771
Segment liabilities	843,267	1,005,203	839,922	-	2,688,392
Other					
Acquisition of property, plant and equipment (including gifted assets)	59,143	39,658	-	-	98,801
Acquisition of intangible assets	1,891	1,893	-	-	3,784
Depreciation and amortisation	51,132	36,035	-	-	87,167

¹ Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.

2. Segment information (continued)

Year ended 30 June 2023	Water \$'000	Sewerage \$'000	Investments ¹ \$'000	Unallocated \$'000	Consolidated \$'000
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	172,724	131,615	157,234	-	461,573
Other revenue	983	1,123	-	2,276	4,382
Commonwealth subvention revenue	-	13,493	-	-	13,493
Gifted assets revenue	9,505	4,377	-	-	13,882
Total segment revenue	183,212	150,608	157,234	2,276	493,330
Interest expense	5,304	12,419	87,305	-	105,028
Segment result before income tax equivalents expense	4,204	9,844	69,201	2,276	85,525
Income tax equivalents expense					25,840
Profit for the year					59,685
Consolidated balance sheet					
Segment assets	2,070,588	1,429,905	1,047,769	84,038	4,632,300
Segment liabilities	405,386	537,151	1,721,209	-	2,663,746
Other					
Acquisition of property, plant and equipment (including gifted assets)	36,560	48,911	-	-	85,471
Acquisition of intangible assets	1,505	1,505	-	-	3,010
Depreciation and amortisation	49,668	33,509	-	-	83,177

Accounting policy

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables, property, plant and equipment, and other assets, net of related allowances.

While most of these assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade and other payables, employee benefits and borrowings.

Operating cash and interest revenue have not been allocated to segments, as this type of activity is managed by a central treasury function, which manages the cash position of the Group.

¹ Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.

3. Revenue from contracts with customers

a) Revenue from contracts with customers

	2024 \$'000	2023 \$'000
Revenue recognised over time		
Water revenue	196,303	171,097
Sewerage revenue	145,456	130,617
Commonwealth subvention revenue	13,830	13,493
	355,589	315,207
Revenue recognised at a point in time		
Gifted assets revenue	37,517	13,882
Other water related revenue	1,702	1,931
Other sewerage related revenue	651	694
	39,870	16,507
Total revenue from contracts with customers	395,459	331,714

Accounting policy

Water and sewerage revenue

Water and sewerage revenue relates to the provision of drinking water and waste water services to customers and is recognised over time as the performance obligation is satisfied, as customers simultaneously receive and use the services provided. The transaction price includes a supply charge and a consumption charge. The prices are set by the regulator and the revenue is billed quarterly and accrued for when unbilled (see critical accounting estimate below). The amount of revenue that Icon Water recognises reflects the right to consideration from customers at an amount that corresponds directly with the value transferred to the customer for the performance completed to date. The Group has elected to use the practical expedient 'right to invoice' available in AASB 15 *Revenue from Contracts with Customers* for these revenues as the Group recognises revenue at the amount for which the Group has the right to invoice the customer. No element of financing is deemed present as the invoices are issued with a credit term of 21 days.

Commonwealth subvention revenue

Icon Water receives a Commonwealth subvention payment for location limitations associated with providing water supply and sewerage services in the ACT as it is an inland location. Icon Water's performance obligation is satisfied over time, consistent with the provision of providing drinking water and waste water services to customers. As revenue is received in equal instalments throughout the year, no element of financing is deemed present.

Gifted assets revenue

Gifted asset revenue is derived from water and sewerage infrastructure assets which are gifted to Icon Water. These assets may include water and sewerage pipes, fittings, hydrants, valves and manholes. Icon Water's performance obligation is to accept the gifted assets and revenue is recognised at the point in time when the Group gains control of the asset. The transaction price used to recognise revenue has been measured as the replacement cost of the asset (refer to note 8d).

Other water and sewerage related revenue

Other water and sewerage related revenue relates to trade waste services and regulated external services provided to customers which are not water and wastewater services. Revenue from these sales is recognised based on the price specified in the contract. Icon Water's performance obligation is met at a point in time when the services have been provided. No element of financing is deemed present as the invoices are issued with a credit term of 21 days or are payable prior to the services being performed.

3. Revenue from contracts with customers (continued)

a) Revenue related to contracts with customers (continued)

Critical Accounting Estimate

Revenue recognition

Icon Water's water revenue includes an estimated accrual for water consumed but not yet billed. This is a regular occurrence at the end of each reporting period. The estimate is calculated by determining unbilled consumption (water consumed for the period less actual billings), applying historical assumptions regarding the tier split of the balance, and then multiplying the unbilled consumption by relevant tier prices. The 30 June 2024 accrual amount was \$17.9 million (30 June 2023: \$16.1 million) and is reflected in note 3b below. Management has determined that it is highly probable that a significant reversal of the accrued revenue will not occur in future periods. This is because Icon Water has satisfied its performance obligation for the accrued revenue, the prices have been set by the regulator and revenue is billed for quarterly.

b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2024 \$'000	2023 \$'000
Current assets		
Net trade receivables (Refer note 7b)	23,044	20,198
Total net trade receivables	23,044	20,198
Current assets		
Accrued revenue relating to water supply contracts	20,976	18,779
Other accrued revenue (i)	1,759	1,373
Total contract assets	22,735	20,152
Current liabilities		
Revenue received in advance relating to water and sewerage supply contracts	8,108	9,651
Total current contract liabilities	8,108	9,651
Non-current liabilities		
Revenue received in advance relating to water and sewerage capital contributions	12,931	10,102
Total non-current contract liabilities	12,931	10,102

(i) Other accrued revenue primarily consists of accrued community service obligations revenue for the June quarter of \$1.6 million (30 June 2023: \$1.3 million).

Accounting policy

A contract asset is recognised in relation to an estimated accrual for water consumed but not yet billed (refer to note 3a). The community service obligation revenue accrual is for water and sewerage services consumed by community service organisations but not yet billed.

A contract liability is recognised in relation to water and sewerage revenue received in advance from customers, where the Group has not yet provided the services.

4. Other income and expense items

This note provides a breakdown of the items included in 'other income', an analysis of expenses by nature and a breakdown of the items included in 'finance income and costs'.

a) Other income

	2024	2023
	\$'000	\$'000
Change in fair value of investment property	500	(1,000)
Rental income from investment property	1,936	2,297
Other income	1,615	809
Total other income	4,051	2,106

b) Breakdown of expenses by nature

	2024	2023
	\$'000	\$'000
Operational costs	118,886	108,654
Employment and associated costs	85,397	81,940
Depreciation and amortisation expense	87,167	83,177
Consumables used	13,406	12,151
Other expenses	18,321	16,855
Cost of providing goods and services	323,177	302,777

c) Finance income and costs

	2024	2023
	\$'000	\$'000
Finance income		
Interest from financial assets not at fair value through profit or loss	4,526	2,276
Finance income	4,526	2,276
Finance costs		
Interest and finance charges paid/payable financial liabilities not at fair value through profit or loss	88,929	109,059
Interest and finance charges paid/payable for lease liabilities	580	154
Provisions: unwinding of discount	43	39
	89,552	109,252
Amount capitalised	(7,082)	(4,224)
Finance costs expensed	82,470	105,028
Net finance costs	77,944	102,752

4. Other income and expense items (continued)

Accounting policy

Finance income

Interest income on financial assets at amortised cost is calculated using the effective interest method (which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) by applying the effective interest rate to the gross carrying amount of a financial asset.

Total interest income on financial assets that are measured at amortised cost for the year was \$4.5 million (30 June 2023: \$2.3 million).

Finance costs

Borrowing costs incurred for the construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that take a substantial period of time (greater than 12 months) to get ready for their intended use. Icon Water typically has qualifying assets at any given period as part of its capital expenditure program. Other borrowing costs are expensed.

5. Income tax equivalents expense

a) Income tax equivalents expense

	2024 \$'000	2023 \$'000
Current tax		
Income tax equivalents expense recognised in the current year	21,751	23,419
Adjustment to current tax for prior periods (i)	(307)	(99)
	21,444	23,320
Deferred tax		
Deferred tax equivalents expense recognised in the current year	(8,008)	2,520
	(8,008)	2,520
Income tax equivalents expense	13,436	25,840

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2024 \$'000	2023 \$'000
Profit before income tax equivalents expense	44,982	85,525
Tax on profit at Australian prima facie tax rate of 30% (2022-23: 30%)	13,494	25,658
Increase/(decrease) in income tax equivalents expense due to:		
Non-assessable dividends	(144)	(144)
Non-assessable income	(282)	(43)
Non-deductible expenses	559	225
Post-tax share of results from joint venture partnerships	116	302
Adjustments for prior periods	(307)	(158)
Income tax equivalents expense	13,436	25,840

c) Income tax equivalents expense recognised in other comprehensive income:

	2024 \$'000	2023 \$'000
<i>Items that will not be reclassified subsequently to profit and loss</i>		
Deferred tax credited/(debited) directly to equity (Refer note 8i)	7,166	(42,963)
Income tax equivalents expense relating to components of other comprehensive income	7,166	(42,963)

5. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Water and its controlled entities are established as a Territory Owned Corporation hence Icon Water and its controlled entities are exempt from Federal income tax. Icon Water is required to make an equivalent payment to the ACT Government as required by the *Taxation (Government Business Enterprises) Act 2003*.

Tax effect accounting procedures are followed whereby the income tax equivalents expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the National Tax Equivalents Regime. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Tax consolidation legislation

Icon Water and its wholly-owned Australian controlled entities are part of a tax consolidated group formed under tax consolidation legislation. These entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The subsidiaries have entered into a tax funding agreement under which the wholly-owned entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from Icon Water, which is issued to the controlled entities as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with obligations to pay tax instalments. The funding amounts are recognised as intercompany receivable or payable.

6. Dividends

	2024 \$'000	2023 \$'000
Dividends payable at the beginning of the financial year	-	20,390
Amount appropriated from operating profit (i)	-	-
	-	20,390
Amount paid during the year	-	(20,390)
Dividends payable at the end of the financial year (i)	-	-

- (i) During the year ended 30 June 2023, Icon Water formally requested consent for dividend relief in relation to the anticipated fluctuation in the calculation of large-scale feed in tariff (LFIT) recoveries which has arisen from the prevailing spot price volatility within the Australian wholesale electricity market. LFIT recoveries represent a significant component of the share of results that the Group receives from the ActewAGL joint venture partnerships (refer note 8c) and these amounts are subsequently returned or passed on to customers in future years in the form of reduced network charges. The shareholders of Icon Water granted approval on 21 December 2022 for a one-off exemption in relation to its dividend policy for the year ended 30 June 2023. During the year ended 30 June 2024, once the dividend policy is applied the gifted assets fully deplete the net profit after tax resulting in no dividend payable.

Accounting policy

The shareholders maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. An interim, fully authorised dividend is declared and paid in June with a provision made for the payment of a final dividend in October.

7. Financial assets and liabilities

a) Cash and cash equivalents

	2024 \$'000	2023 \$'000
Current assets		
Cash at bank and on hand	53,679	73,898
Short-term deposits	72,000	10,000
Total cash and cash equivalents	125,679	83,898

Accounting policy

Cash and cash equivalents includes cash on hand, short-term deposits held with financial institutions with a maturity of 1 to 3 months from inception and other short-term, highly liquid investments that are readily convertible to cash.

b) Trade and other receivables

	2024 \$'000	2023 \$'000
Current assets		
Water revenue receivables	13,502	12,065
Sewerage revenue receivables	10,005	9,133
Other trade receivables (i)	887	378
Allowance for impairment of receivables	(1,350)	(1,378)
Net trade receivables	23,044	20,198
Other receivables (ii)	8,092	7,421
Employee entitlement receivable – related parties	4,395	5,038
Total trade and other receivables	35,531	32,657

- (i) These amounts generally arise from transactions outside the principal operating activities of the Group.
(ii) Under the terms and conditions of the Retail Customer Services Agreement with ActewAGL Retail Partnership, and the Corporate Services Agreement with ActewAGL Distribution Partnership, Icon Water is expecting to receive a refund of \$5.8 million as at 30 June 2024 (30 June 2023: \$5.0 million).

7. Financial assets and liabilities (continued)

Accounting policy

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 21 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Group recognises a loss allowance for all trade receivables and contract assets. The loss allowance is calculated based on the simplified approach outlined in AASB 9 *Financial Instruments* which requires that the Group recognises lifetime expected credit losses.

Bad debts are written off when debts become uncollectible in a subsequent period. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Current other receivables

This includes amounts such as GST and interest receivable which are receivable within one year from the end of the reporting period.

Employee entitlement receivable

A number of employees of Icon Water have been seconded to the joint venture partnerships. A receivable from the joint venture partnerships is recognised as employee entitlements are reimbursed to Icon Water for these seconded employees.

c) Trade and other payables

	2024	2023
	\$'000	\$'000
Current liabilities		
Trade payables	9,297	16,546
Other payables and accruals	50,355	32,582
Total trade and other payables	59,652	49,128

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

7. Financial assets and liabilities (continued)

d) Borrowings

	2024 \$'000	2023 \$'000
Current liabilities		
Unsecured loans	-	99,813
	-	99,813
Non-current liabilities		
Unsecured loans	1,957,362	1,837,678
	1,957,362	1,837,678
Total borrowings	1,957,362	1,937,491

Icon Water maintains a balanced portfolio consisting of a capital indexed bond (CIB), two CPI linked indexed annuity bonds (IAB) and six medium term notes (MTN)).

Instrument	Start Date	Maturity Date	Issue yield (%)	Balance (\$m)
MTN	23 May 2016	21 May 2026	2.67	\$124.6
MTN	18 April 2018	18 April 2028	3.25	\$476.1
MTN	17 May 2021	17 May 2030	1.81	\$49.9
CIB	17 June 2010	17 June 2030	3.72	\$357.7
MTN	23 October 2019	23 October 2031	1.87	\$377.6
MTN	22 October 2022	23 October 2034	4.75	\$39.3
MTN	22 May 2024	22 May 2036	5.41	\$97.7
IAB	12 June 2008	12 June 2048	2.42	\$325.3
IAB	12 June 2009	12 June 2048	3.94	\$109.2
			Total	\$1,957.4

Accounting policy

All borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

CIBs are adjusted quarterly based on the Consumer Price Index (CPI). The adjustment is made to the principal of the loan and an expense is recognised in the period of the adjustment depending on the terms of the loan. IABs are adjusted by quarterly changes to CPI with the interest and principal repayments impacted by changes to CPI, although the principal of the loans reduces to zero by maturity date. Fluctuations in CPI influences principal balances over the term of the loan.

Borrowing costs incurred for the construction of qualifying assets are capitalised in accordance with the accounting policy in note 4c.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities

Accounting policy

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Initial and subsequent measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Fair value

If the market for a financial asset is not active, and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7b for further details.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities (continued)

Accounting policy

Financial risk management

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Icon Water uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

8. Non-financial assets and liabilities

a) Prepayments

	2024	2023
	\$'000	\$'000
Current assets		
Prepayments	5,665	5,260
	5,665	5,260
Non-current assets		
Prepayments (i)	3,790	3,772
	3,790	3,772

(i) This includes \$3.3 million for carbon credits (30 June 2023: \$3.3 million).

Accounting policy

Prepayments are recognised when payments have been made for services in advance of Icon Water utilising the benefit of those services.

Prepayments are amortised over the period in which services will be provided to Icon Water. Where the prepayment relates to a period that is greater than 12 months from the end of the financial year, it is classified as non-current.

Carbon credits prepayment

Icon Water is required to offset carbon emissions generated during the construction and operation of the major water security projects. Icon Water has made prepayments for carbon credits associated with these emissions which will be received in the future.

b) Inventories

	2024	2023
	\$'000	\$'000
Current assets		
Finished goods	6,925	5,720
Total inventories	6,925	5,720

Inventories consist of consumables such as spare system asset components, chemicals and fuel, and personal issue items for operational use.

The cost of consumables used and recognised as an expense during the year was \$13.4 million (30 June 2023: \$12.2 million).

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The difference between cost and net realisable value is recorded as a write down of inventory.

Stocktakes are performed on a cyclical basis, where inventory is assessed for obsolescence and written off to profit or loss when required.

8. Non-financial assets and liabilities (continued)

c) Investments accounted for using the equity method

	2024 \$'000	2023 \$'000
Non-current assets		
Interest in joint venture partnerships	1,006,137	1,042,732
Total investments accounted for using the equity method	1,006,137	1,042,732

The movement in the carrying value in the interest in ActewAGL joint venture partnerships has changed as follows:

	2024 \$'000	2023 \$'000
Carrying amount at the beginning of the financial year	1,042,732	992,182
Share of results (i)	46,593	157,234
Distributions received from the ActewAGL joint venture partnerships	(59,300)	(42,000)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	(23,887)	(64,684)
Carrying amount at the end of the financial year	1,006,137	1,042,732

- (i) Included in the share of profit is over-recovery of large-scale feed in tariff (LFIT) of \$61.0 million (30 June 2023: \$54.2 million under-recovery). The ActewAGL Distribution Partnership is subject to a large scale LFIT jurisdictional scheme under which LFIT support payments are made by the Partnership to renewable energy generators. The Partnership is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers. These LFIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No asset or liability is recognised as such an adjustment relates to provision of future services.

Accounting policy

Principles of consolidation

Icon Water has reviewed and assessed its joint arrangement partnerships (ActewAGL Retail Partnership and ActewAGL Distribution Partnership) in accordance with the requirements of AASB 11 *Joint Arrangements* and concluded them to be joint ventures. The interests in the joint venture partnerships are accounted for using the equity method.

Under the equity method, the share of the profit and losses of partnerships is recognised in the consolidated statement of profit or loss. Profits or losses on transactions establishing the joint venture partnerships and transactions with the joint ventures are eliminated to the extent of the consolidated entity's ownership interest. This is continued until the profits or losses are realised by the joint venture partnership on consumption or sale, unless they related to an unrealised loss that provides evidence of the impairment of an asset transferred.

Revaluation of plant and equipment within the Distribution Partnership

ActewAGL Distribution Partnership's accounting policies for their electricity and gas assets are adjusted such that it aligns to Icon Water Group's accounting policy on property, plant and equipment assets accounted for at Fair Value. Revaluations are performed at the end of every five-year regulatory period (assessed separately for the electricity and gas assets) or whenever there have been significant changes in the longer term expectations of Icon Water, with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately measured.

8. Non-financial assets and liabilities (continued)

Accounting policy

Revaluation of plant and equipment within the Distribution Partnership

Where the inputs have been reset by the Australian Energy Regulator (AER), gas and electricity infrastructure assets are valued by Icon Water using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the AER. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, gas and electricity infrastructure assets are valued by application of a market multiples approach only where management has determined that there are no indicators present of significant changes in the longer term expectations of the ActewAGL Distribution Partnership at reporting date.

In performing fair value assessments from a market participant perspective, management will select several publicly traded Australian and internationally based entities with similar characteristics to the ActewAGL Distribution Partnership to form a comparable peer group.

The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045. In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 21-year period. For the year ended 30 June 2024, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 21 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- forecasts include cash inflows anticipated from the disposal of decommissioned regulated assets;
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Cost of Capital (WACC) discount rate of 6.10% (2023: 6.00%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;

8. Non-financial assets and liabilities (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. Inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2024 resulted in a \$14.1 million increment adjustment (30 June 2023: \$40.8 million decrement) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2024, the fair value of electricity assets has been determined by application of an income approach using a discounted cash flow method. The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the WACC;
- the WACC discount rate of 6.00% (2023: 6.00%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, derived from the 2024-25 long term forecasts and taking into account the latest determinations from the AER; and
- the projected regulatory asset base value (at a multiple of 1.225) has been used to compute the terminal value of the valuation.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2024 resulted in a \$38.0 million decrement adjustment (30 June 2023: \$23.9 million decrement) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve balance.

For the year ended 30 June 2024, the combined valuation exercise for gas and electricity assets resulted in the recognition of a \$23.9 million decrement (30 June 2023: \$64.7 million decrement) in the Asset revaluation reserve.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment

	Water network \$'000	Sewerage network \$'000	Infrastructure land & buildings \$'000	Non- infrastructure land & buildings \$'000	Plant and equipment at cost \$'000	Total \$'000
At 1 July 2023						
Cost or fair value	2,032,733	1,403,807	26,273	34,521	19,800	3,517,134
Accumulated depreciation	(63,863)	(56,511)	(42)	(816)	(13,022)	(134,254)
Net book amount	1,968,870	1,347,296	26,231	33,705	6,778	3,382,880
Year ended 30 June 2024						
Opening net book amount	1,968,870	1,347,296	26,231	33,705	6,778	3,382,880
Additions	33,794	26,721	-	1,252	1,865	63,632
Depreciation charge	(44,983)	(29,886)	(39)	(764)	(2,234)	(77,906)
Gifted assets	23,791	11,378	-	-	-	35,169
Retirements	-	-	-	-	(9)	(9)
Revaluation	-	-	-	-	-	-
Borrowing costs	1,173	5,666	-	92	-	6,931
Closing net book amount	1,982,645	1,361,175	26,192	34,285	6,400	3,410,697
As at 30 June 2024						
Cost or fair value	2,048,979	1,420,982	26,273	35,865	21,622	3,553,721
Accumulated depreciation	(66,334)	(59,807)	(81)	(1,580)	(15,222)	(143,024)
Net book amount	1,982,645	1,361,175	26,192	34,285	6,400	3,410,697

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy

Acquisition and recognition of assets

The cost method is used for all acquisitions of property, plant and equipment assets. Cost is measured as the purchase price plus incidental costs directly attributable to the acquisition, and an estimate of the costs of dismantling and removing the item at the end of its useful life.

Gifted assets provided free of charge are initially valued at replacement costs of those assets and subsequently revalued as part of the class of property, plant and equipment to which the asset belongs.

Plant and equipment – held at cost

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Water network and sewerage network assets – valuation

Water and sewerage assets are measured at Fair Value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Revaluations are performed at the end of every five-year regulatory period or whenever there have been significant changes in the longer-term expectations of Icon Water, along with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately recorded.

Where the inputs have been reset by the Independent Competition and Regulatory Commission (ICRC), water and sewerage infrastructure assets are valued using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the ICRC. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, water and sewerage infrastructure assets are valued by application of a market multiples approach and assessed for reasonableness. The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate. The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Land and building assets – valuation

Land and buildings are shown at Fair Value less subsequent depreciation for buildings. Valuations are undertaken by external independent valuers every three years with the most recent valuation in June 2022 performed by Certified Practising Valuers.

If the Fair Value of an asset materially differs from its carrying amount outside of the three year valuation cycle, then the asset will be revalued regardless of when the last valuation occurred.

Land and buildings are measured at Fair Value in accordance with AASB 13 *Fair Value Measurement*. Land assets have been valued on the basis of highest and best use. Building assets have been valued with regard to the risk of physical and functional obsolescence. The majority of Icon Water's land and buildings are considered specialised assets and are therefore valued using the current replacement cost approach.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy (continued)

Accounting impact – changes to Fair Value

Increases in the carrying amounts arising on revaluation of land and buildings and water and sewerage assets are credited, net of tax, to the Asset Revaluation Reserve in shareholder's equity. Any revaluation increase arising on the revaluation of such land and building and water and sewerage assets is recognised in the Asset Revaluation Reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss. In this case the increase is credited to the profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building and water and sewerage assets is recognised in the profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Land is not depreciated and is substantially held under 99-year renewable crown leases in the ACT. Depreciation is calculated using the straight-line method to allocate the assets' cost or revalued amounts, net of their residual values over their estimated useful lives as follows:

	<u>Years</u>
Water network	
Dams	30 - 150
Reservoirs	50 - 100
Treatment plants	20 - 60
Mains	80
Other assets	10 - 80
Sewerage network	
Mains	80
Treatment plants	20 - 60
Sewer tunnels	120
Other assets	10 - 80
Buildings	60
Plant and equipment	5 - 15

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Critical Accounting Estimate

Fair value assessment of water and sewerage infrastructure assets

Icon Water assesses the fair value of water and sewerage infrastructure assets annually.

For the year ended 30 June 2024, the fair value of water and sewerage assets has been determined by application of a market-based approach which is then assessed for reasonableness through an income approach using a discounted cash flow method. This approach determines if the carrying value of water and sewerage assessments at year end remain in a reasonable valuation range.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the Weighted Cost of Capital (WACC) discount rate;
- the WACC of 6.10% (2023: 6.10%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, as set out in Icon Water's Statement of Corporate Intent 2024-25 and long term cash flow forecast for periods not covered in the Statement of Corporate Intent; and
- the projected regulatory asset base value at a multiple of 1.15 (2023: 1.15) has been used to compute the terminal value of the valuation.

The valuation exercise for the year ending 30 June 2024 resulted in no adjustment being required for water infrastructure assets (30 June 2023: \$82.8 million increment) and no adjustment being required for sewerage infrastructure assets (30 June 2023: \$125.1 million increment). Management has assessed that there are no significant changes in the longer-term expectations of the business.

8. Non-financial assets and liabilities (continued)

e) Leases

This note provides information for leases where Icon Water is a lessee.

i) Amounts recognised in the consolidated balance sheet relating to leases:

	2024	2023
	\$'000	\$'000
Right-of-use assets		
Building	321	1,091
Vehicles	4,782	910
Equipment	442	1,231
Total right-of-use assets	5,545	3,232
Lease liabilities		
Current	1,627	1,616
Non-current	2,737	1,376
Total lease liabilities	4,364	2,992

Future undiscounted lease payments in relation to lease liabilities as at 30 June are as follows:

	2024	2023
	\$'000	\$'000
Within one year	2,203	1,689
Later than one year but not later than five years	3,696	1,493
Later than five years	403	5
	6,302	3,187

Additions to the right-of-use assets during the year were \$3.1 million (30 June 2023: \$0.6 million).

ii) Depreciation of right-of-use assets recognised in the consolidated statement of profit or loss:

	2024	2023
	\$'000	\$'000
Depreciation - right-of-use assets		
Buildings	769	770
Vehicles	932	651
Equipment	755	967
	2,456	2,388

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Icon Water. The right-of-use assets are recognised at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets may comprise small items of equipment.

Building lease

Icon Water leases building space at 40 Bunda Street, Canberra City for a period of 15 years which expires on 8 December 2024. There is no extension option for the building lease and Icon Water will vacate the building at this date. This lease contains a single lease component which has been used to calculate the right-of-use asset and corresponding liability.

The asset and liability arising from this lease is initially measured on a present value basis. The lease liability includes the net present value of the fixed payments. As there is no interest rate implicit in the lease, the lease payments are discounted using Icon Water's incremental borrowing rate, being the rate that Icon Water would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The building lease contains variable lease payment terms which are varied to reflect changes in market rental rates. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy (continued)

Equipment and vehicle leases

Icon Water leases vehicles and equipment which are typically leased for fixed periods of 3 to 12 years. These leases contain both lease and non-lease components. Icon Water has elected to not separate lease and non-lease components and instead accounts for these as a single lease component. This single lease component is used to calculate the right-of-use assets and corresponding liabilities.

Each lease is negotiated on an individual basis, however all equipment and vehicle leases contain similar terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased assets may not be used as security for borrowing purposes.

There are no extension or termination options for the equipment and vehicle leases.

Lease payments

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Icon Water is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While Icon Water revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings.

8. Non-financial assets and liabilities (continued)

f) Investment property

	Total \$'000
Opening balance at 1 July 2023	17,750
Fair value adjustment to investment property	500
Closing balance at 30 June 2024	18,250

Accounting policy

Measurement

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

Valuation

Valuations are undertaken every year by Certified Practising Valuers. When an independent external valuation is not undertaken at the end of a reporting period, Icon Water updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

Impairment

At each reporting date, the Group assesses, whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs. For investment properties held at fair value, changes in fair value are recognised in the profit or loss as part of other income.

Lease income

Rental income recognised by Icon Water during the financial year was \$1.9 million. Icon Water did not receive any variable lease income that is not dependent on an index or rate.

During the financial year, the Group leased out its investment property which is an owned commercial property to ActewAGL. The lease was classified as an operating lease as the lease did not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The lease expired on 31 March 2024 after which ActewAGL vacated the property.

8. Non-financial assets and liabilities (continued)

g) Intangible assets

	Computer software \$'000	Carbon credits \$'000	Total \$'000
At 1 July 2023			
Cost or fair value	70,254	1,147	71,401
Accumulated amortisation and impairment	(38,653)	-	(38,653)
Net book amount	31,601	1,147	32,748
Year ended 30 June 2024			
Opening net book amount	31,601	1,147	32,748
Additions	3,784	-	3,784
Amortisation charge	(6,806)	-	(6,806)
Revaluation	-	940	940
Borrowing costs capitalised	151	-	151
Closing net book amount	28,730	2,087	30,817
At 30 June 2024			
Cost or fair value	74,188	2,087	76,275
Accumulated amortisation and impairment	(45,458)	-	(45,458)
Net book amount	28,730	2,087	30,817

Accounting policy

Carbon credits

Carbon credits are recognised at cost when received and are subsequently measured at fair value. Fair value is calculated by referencing market prices for an Australian Carbon Credit Unit. Carbon credits are subject to an annual impairment test and are disposed of when surrendered or sold.

Computer software

Icon Water capitalises and amortises specific-use computer software, such as its Works Asset Management System, Geospatial Information System and design drawing software. Computer software includes capitalised development costs being an internally generated intangible asset.

Cloud computing arrangements

Icon Water has a number of cloud computing arrangements that provide it with the right to access the cloud-based software over a contracted period. Costs incurred to configure or customise, and the ongoing fees to obtain access to such software, are recognised as operating expenses when the services are received. Some additional costs are incurred for the development of software code. Where this development enhances or creates additional capability to existing systems and meets the definition of, and recognition criteria, for an intangible asset, it is recognised as a software asset.

Amortisation methods and useful lives

The Group amortises software intangible assets with a limited useful life using the straight-line method over 5 - 9 years.

8. Non-financial assets and liabilities (continued)

g) Intangible assets (continued)

Accounting policy (continued)

Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

For assets held at fair value a revaluation increase is recognised in the Asset Revaluation Reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously expensed.

Critical Accounting Estimate

Configuration and customisation in cloud computing arrangements

Some customisation and configuration activities undertaken in implementing cloud computing arrangements entail the development of software code that enhances or modifies, or creates additional capacity to, existing on-premise systems. Judgement is applied in determining whether the benefits from these costs meet the definition of, and recognition criteria for, an intangible asset in AASB 138 *Intangible Assets*.

Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the cloud computing arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recognised as a prepayment for services and amortised over the expected renewable term of the contractual or service arrangement.

8. Non-financial assets and liabilities (continued)

h) Provisions

	Current		Non-Current	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Employee entitlements	21,009	18,919	739	1,276
Employee entitlements – seconded employees	4,395	5,038	-	-
Other employee related provisions	148	338	138	349
Workers' compensation provisions	278	646	2,323	2,138
Provision for make good restoration	899	494	4,563	1,579
Provision for service agreement expiry	-	-	2,661	6,187
	26,729	25,435	10,424	11,529

The movements in each class of provision during the financial year, other than employee entitlements and provision for dividends (refer to note 6), is set out below:

	Other employee related provisions \$'000	Workers' compensation ¹ \$'000	Make good restoration ² \$'000	Service agreement expiry ³ \$'000	Total \$'000
Balance at 1 July 2023	687	2,784	2,073	6,187	11,731
Additional provision recognised in the year	-	553	3,824	-	4,377
Credited to profit or loss	(288)	-	-	(3,087)	(3,375)
Used during the year	(114)	(736)	(478)	(439)	(1,767)
Unwinding of discount	-	-	43	-	43
Carrying amount at 30 June 2024	285	2,601	5,462	2,661	11,009

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Wages and salaries

Liabilities for wages and salaries (including on-costs) expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

¹ Includes pre-1989 workers' compensation provisions.

² Estimated cost to Icon Water to remediate surplus network assets under the Utilities Act 2000.

³ Estimation of costs payable to the ActewAGL Distribution Partnership in relation to the termination of the Corporate Services Agreement which expired on 30 June 2023. There are provisions within the agreement that allow for these services to continue over of a period of transition that is expected to conclude on 31 December 2025.

8. Non-financial assets and liabilities (continued)

h) Provisions (continued)

Accounting policy (continued)

Annual, sick and long service leave

A liability for annual, sick and long service leave (where employees have been employed by Icon Water for seven years or greater) is recognised as a current provision for employee benefits. Under AASB 119 *Employee Benefits*, leave entitlements that are not expected to be wholly settled in 12 months must be discounted to a present value.

An employee who has completed seven years' service with a single employer is entitled to long service leave for the period of the service and is therefore classified as a current provision. Long service leave less than seven years is measured as a non-current provision for employee benefits. Long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and for long service leave, expectation of employee departures and periods of service.

Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

8. Non-financial assets and liabilities (continued)

i) Deferred tax balances

	2024 \$'000	2023 \$'000
Net deferred tax (liability)/asset		
At the beginning of the financial year	(617,418)	(571,935)
Income tax credited/(charged) to the income statement (Refer note 5a)	8,009	(2,520)
Income tax credited/(charged) to other comprehensive income and equity (Refer note 5c)	(7,166)	(42,963)
At the end of the financial year	(602,243)	(617,418)

The composition of the Group's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the income statement is as follows:

	Deferred tax balance		(Credited)/charged to the income statement	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade and other receivables	405	413	8	(173)
Employee entitlements	4,235	3,957	(278)	(168)
Other provisions and accruals	7,467	7,344	(123)	(568)
Contract liabilities	4,273	3,252	(1,021)	(648)
Lease liabilities	916	677	(239)	342
Deferred tax assets	17,296	15,643	(1,653)	(1,215)
Contract assets	-	-	-	(65)
Property, plant and equipment	(284,542)	(230,535)	(8,661)	1,095
Right-of-use assets	(1,416)	(723)	694	(546)
Intangible assets	(4,819)	(4,337)	482	784
Investments accounted for using the equity method	(63,992)	(63,013)	979	2,167
Asset revaluation reserve	(264,770)	(334,453)	150	300
Deferred tax liabilities	(619,539)	(633,061)	(6,356)	3,735
Total deferred tax balances	(602,243)	(617,418)	(8,009)	2,520

Accounting policy

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to use those temporary differences and losses.

9. Equity

a) Share capital

Movements in fully paid authorised shares:

	Number of shares	Total \$'000
Balance as at 1 July 2023	2	758,871
Balance as at 30 June 2024	2	758,871

Icon Water Limited does not have a limited amount of authorised capital.

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure while maintaining financial flexibility to accommodate future investments.

The gearing ratios at 30 June 2024 and 30 June 2023 were as follows:

	2024 \$'000	2023 \$'000
Total debt (note 7d)	1,957,362	1,937,491
Total equity	1,983,378	1,968,554
	3,940,740	3,906,045
Gearing ratio	49.7%	49.6%

Icon Water has used the gearing ratio of debt (total borrowings) over capital (total equity plus total debt) to monitor its capital position.

b) Reserves

	2024 \$'000	2023 \$'000
Asset revaluation reserve	872,470	889,191
Total reserves	872,470	889,191

The movement in the asset revaluation reserve during the financial year is as follows:

	2024 \$'000	2023 \$'000
Balance at the beginning of the financial year	889,191	788,944
<i>Revaluation – net of tax</i>		
Investment in ActewAGL partnerships (Plant and equipment)	(16,721)	(45,279)
Property, plant and equipment	-	145,524
Balance at the end of the financial year	872,470	889,191

Accounting policy

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of an asset sale or disposal, any balance in the reserve in relation to the asset is transferred to retained profits.

10. Remuneration of auditors

During the year the following fees were paid or payable for audit services provided by the auditor of the Group, the ACT Audit Office:

	2024	2023
	\$	\$
Fees for the audit and review of the financial reports of the Icon Water Group	362,012	344,857
Total remuneration of auditors	362,012	345,857

No other services were provided by the ACT Audit Office to the Icon Water Group during the year ended 30 June 2024.

Group structure

11. Investment in controlled entities

a) Significant investments in subsidiaries

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2024	2023
			%	%
Icon Distribution Investments Limited	Australia	Ordinary	100	100
Icon Retail Investments Limited	Australia	Ordinary	100	100

Accounting policy

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Icon Water and its controlled entities as at 30 June 2024 and the results for the period then ended.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

12. Interests in joint ventures

a) Joint venture partnership - ActewAGL Partnerships

Icon Retail Investments Limited entered into a joint venture partnership with AGL ACT Retail Investments Pty Ltd to manage the retail operations of the ACT electricity and gas networks. Icon Distribution Investments Limited entered into a joint venture partnership with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the ACT, Queanbeyan and Nowra gas networks.

Both entities have a 50% participating interest in their respective joint ventures. Information relating to the joint venture partnerships is presented in accordance with the accounting policy described below and is set out as follows:

	2024 \$'000	2023 \$'000
Share of ActewAGL Partnership's commitments		
Capital commitments	18,040	12,157
	18,040	12,157

b) Contingent liabilities relating to joint ventures

Claims

There are no contingent public liability insurance claims against the ActewAGL partnerships at year end. The Group's share of the partnerships' contingent liability is nil at 30 June 2024 (30 June 2023: nil).

Bank guarantees

A number of bank guarantees have been provided by the ActewAGL partnerships for the normal operations of the business. Each of the partners in the ActewAGL Partnerships is jointly and severally liable for the debts of the partnership.

These have not been recognised in the consolidated balance sheet.

13. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024	2023
	\$'000	\$'000
Balance sheet		
Current assets	235,093	303,770
Total assets	4,534,506	4,477,527
Current liabilities	111,238	195,745
Total liabilities	2,605,901	2,579,987
Net assets	1,928,605	1,897,540
Share capital	758,871	758,871
Reserves		
Asset revaluation reserve	804,288	804,288
Retained profits	365,446	334,380
Total equity	1,928,605	1,897,539
Profit for the year	31,066	59,204
Total comprehensive income	31,066	204,729

b) Guarantees entered into by the parent entity

The parent entity bank guarantees at 30 June 2024 are nil (30 June 2023: nil).

c) Contingent liabilities of the parent entity

The parent entity contingent liabilities at 30 June 2024 are referred to in note 14.

d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity contractual commitments for the acquisition of property, plant and equipment at 30 June 2024 are referred to in note 15.

Accounting policy

The financial information for the parent entity, Icon Water Limited, has been prepared on the same basis as the consolidated financial statements.

Unrecognised items

14. Contingencies

Contingent liabilities

i. Commonwealth Superannuation Scheme

A number of claims have been made against the Commonwealth and Icon Water in relation to information purportedly given to former employees regarding their eligibility to originally join the Commonwealth Superannuation Scheme. To date, Icon Water has settled a number of these claims. Future claims fall into the categories of current claims in the process of pre-settlement, notified prospective claims and possible future claims. Possible future claims have not been provided for and are therefore disclosed as a contingent liability.

These individuals may make a claim for settlement at a future date that, if successful, creates a liability for Icon Water. Any liability in relation to this group is uncertain as the individuals have not been identified and have not yet advised of any intention to bring a claim now or in the future. Insufficient evidence exists to estimate the financial effect of this contingent liability. Depending on the circumstances of each claim, costs arising from settlement of these claims may be shared between Icon Water and the Commonwealth. No other reimbursement of Icon Water's costs is likely. Icon Water is not able to quantify claims at this point in time.

ii. Claims

Entities within Icon Water are involved in other disputes in the normal course of operations. The directors believe that material losses (including costs) are not anticipated in resolving those claims.

15. Commitments for expenditure

a) Capital and operating commitments

	2024	2023
	\$'000	\$'000
Capital expenditure commitments	66,316	42,019
Other expenditure commitments (i)	88,360	79,955

- (i) The Corporate Services Agreement with ActewAGL Distribution Partnership to provide corporate services to Icon Water ceased on 30 June 2023. There are provisions within the agreement that allow for these services to continue over of a period of transition that is expected to conclude on 31 December 2025. On 9 September 2021, Icon Water entered into a Retail Customer Services Agreement with ActewAGL Retail Partnership to provide retail services from 1 July 2023. The expenditure commitments include these contracts as well as general expenditure commitments.

16. Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Key management personnel and related parties

17. Key management personnel

Key management personnel composition

The key management personnel (KMP) of the Group includes the Managing Director and only his direct reports who have authority and responsibility for planning, directing and controlling the activities of Icon Water. It also includes the following persons who held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated. KMP during the year ended 30 June 2024 were:

Name	Position
Non-Executive Directors	
Wendy Caird	Independent Non-Executive Director, Chair (term concluded 17 August 2024)
Carol Lilley	Independent Non-Executive Director, Chair (from 18 August 2024)
Peter Dennis	Independent Non-Executive Director, Deputy Chair (from 18 August 2024)
Brett Tucker	Independent Non-Executive Director (term concluded 9 July 2023)
Dorte Ekelund	Independent Non-Executive Director (term concluded 31 October 2023)
Dr Helen Locher	Independent Non-Executive Director
Julie-Anne Schafer	Independent Non-Executive Director
Geoffrey Buchanan	Independent Non-Executive Director (appointed 10 July 2023)
Dr Warren Mundy	Independent Non-Executive Director (appointed 1 November 2023)
Dr Nadine White	Independent Non-Executive Director (appointed 18 August 2024)
Senior Executives	
Ray Hezkial	Managing Director
Joy Yau	Chief Financial Officer
Dr Tony Pollock	Chief Technology Officer
Davina McCormick	General Manager Customer Engagement
Gerard Brierley	General Manager Infrastructure Services
Alison Pratt	General Counsel
Mark Mulligan	General Manager People, Health & Safety

Subsequent to 30 June 2024 Gerard Brierley tendered his resignation and will conclude his tenure with Icon Water on 8 November 2024. There have been no other changes in KMP since the end of the financial year.

17. Key Management Personnel (continued)

Key management personnel compensation

The aggregate compensation made to key management personnel (KMP) of the Group is set out below:

	2024 \$'000	2023 \$'000
Short-term employee benefits	3,122	3,006
Post-employment benefits	242	231
Other long-term benefits	54	56
Total benefits	3,418	3,293

The compensation of KMP of the Group for the current year is set out on the following pages. The compensation disclosed relates only to the period of time the individual was considered to be a KMP.

17. Key management personnel (continued)

Senior Executive remuneration

In accordance with the requirements of the Territory-owned Corporations Act 1990, only the five most highly remunerated officers (other than directors) are to be individually disclosed. Icon Water has chosen to voluntarily disclose the total remuneration paid to all persons who met the criteria for Senior Executive KMP during the financial year.

		Short-term employee benefits			Non-monetary benefits	Post-employment benefits		Other long-term benefits	Total remuneration
		Salary & fees				Superannuation (2)	Employee entitlements		
		\$	\$	\$	\$	\$	\$	\$	
Senior Executive KMP									
Ray Hezkiel	2023-24	608,142	6,245	27,567	1,888	643,842			
	2022-23	606,201	7,103	27,606	17,117	658,027			
Joy Yau	2023-24	375,470	4,793	27,567	10,356	418,186			
	2022-23	374,555	3,823	27,606	11,040	417,024			
Dr Tony Pollock	2023-24	366,036	3,281	27,567	6,835	403,719			
	2022-23	355,088	3,022	27,606	4,698	390,414			
Davina McCormick	2023-24	359,629	3,665	27,567	8,788	399,649			
	2022-23	344,901	3,021	27,606	6,911	382,439			
Gerard Brierley	2023-24	357,698	3,211	27,567	9,371	397,847			
	2022-23	335,254	3,060	27,606	7,137	373,057			
Alison Pratt	2023-24	337,574	4,905	27,567	9,343	379,389			
	2022-23	322,954	3,501	27,606	9,121	363,182			
Mark Mulligan (1)	2023-24	313,812	3,178	27,567	7,240	351,797			
	2022-23	272,611	2,243	22,740	-	297,594			
Total Senior Executive KMP	2023-24	2,718,361	29,278	192,969	53,821	2,994,429			
	2022-23	2,611,564	25,773	188,376	56,024	2,881,737			

(1) Mark Mulligan commenced employment as General Manager People, Health & Safety on 5 September 2022.

(2) Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines.

17. Key management personnel (continued)

Non-Executive Director remuneration

		Short-term employee benefits		Post-employment benefits	Total remuneration
		Board & Committee fees	Non-monetary benefits	Superannuation ⁽¹⁾	
		\$	\$	\$	\$
Non-Executive Directors					
Wendy Caird	2023-24	86,903	600	11,297	98,800
	2022-23	84,421	564	10,975	95,960
Carol Lilley	2023-24	69,527	-	9,039	78,566
	2022-23	67,540	564	8,780	76,884
Peter Dennis	2023-24	43,417	-	5,793	49,374
	2022-23	46,813	-	700	47,513
Brett Tucker	2023-24	816	-	127	943
	2022-23	42,179	-	5,483	47,662
Dorte Ekelund	2023-24	14,197	-	1,846	16,043
	2022-23	42,179	-	5,483	47,662
Dr Helen Locher	2023-24	43,417	-	5,644	49,061
	2022-23	42,179	-	5,483	47,662
Julie-Anne Schafer	2023-24	43,417	-	5,644	49,061
	2022-23	42,179	-	5,483	47,662
Geoffrey Buchanan	2023-24	42,601	800	5,538	48,939
	2022-23	-	-	-	-
Dr Warren Mundy	2023-24	29,220	-	3,799	33,019
	2022-23	-	-	-	-
Dr Nadine White	2023-24	-	-	-	-
	2022-23	-	-	-	-
Total Non-Executive Director KMP	2023-24	373,515	1,400	48,727	423,806
	2022-23	367,490	1,128	42,387	411,005

- (1) Superannuation contributions are made on behalf of Non-Executive Directors in accordance with statutory obligations. Individual Non-Executive Directors may obtain approval from the Australian Taxation Office to be exempt from receiving superannuation contribution payments from Icon Water due to these obligations being met by other employers. Where this occurs, the obligatory superannuation contribution is paid directly to the individual Non-Executive Director as cash and included within their total fees payment.

17. Key management personnel (continued)

Accounting policy

Short-term employee benefits

Short-term employee benefits include all recreation leave accrued for during the period.

Non-monetary benefits are free or subsidised goods or services received in the current period, such as car parking expenses, gym fees, income protection insurance and professional membership fees including fringe benefits tax, where applicable.

Other long-term benefits

Other long-term benefits include all long service leave accrued during the financial year after the individual has reached one year of service.

18. Related party transactions

Transactions with key management personnel

There have been no related party transactions with directors and their related parties apart from those disclosed in the key management personnel note (note 17), and water and sewerage invoices issued on an arm's length basis (30 June 2023: nil).

Parent entities

The wholly-owned group consists of Icon Water and its controlled entities. These entities are Icon Retail Investments Limited and Icon Distribution Investments Limited. The results of the ActewAGL Joint Venture partnerships, which is 50% owned by Icon Water through its subsidiaries, Icon Retail Investments Limited and Icon Distribution Investments Limited are accounted for using the equity method. Icon Water has several operational arrangements with its controlled entities. All transactions are at an arm's length basis.

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Wholly-owned controlled entities:		
Dividend revenue	32,032,299	109,478,809
Income tax equivalents expense to the ACT Government	13,435,792	25,840,489
Aggregate amounts receivable from and payable to entities in the wholly-owned groups at balance date were as follows:		
– Current receivables (tax funding agreement)	13,101,489	45,107,296
– Current receivables (other)	32,032,299	109,478,809
– Current payables and other (dividends)	-	-
– Non-interest bearing loans	830,146,813	766,866,503

The parent entity in the wholly-owned group is Icon Water Limited.

Ownership interests in related parties

Interests held in the controlled entities are set out in note 11.

18. Related party transactions (continued)

Other related parties

The following transactions occurred with the ActewAGL Joint Venture Partnerships:

	2024	2023
	\$	\$
Purchase and sale of goods and services:		
– Purchase of goods and services(i)	44,973,400	45,338,662
– Sale of goods and services	9,044,408	16,434,364
Aggregate amounts receivable from and payable to joint venture partnerships at balance date:		
– Current receivables (i)	11,681,310	10,587,329
– Current accounts payables and other	7,233,353	6,374,366

- (i) The 2023 comparative amounts for purchase of goods and services and current receivables have been adjusted from the prior year published statement to include gas and electricity purchased by Icon Water from the ActewAGL Retail Partnership and seconded employee costs owing from the ActewAGL Distribution Partnership. Purchases of goods and services includes the Corporate Services Agreement expense of \$24.2m (2023: \$24.7m) and Retail Customer Service Agreement cost of \$7.4m (2023: \$8.0m) with the remainder relating to purchases, including gas and electricity, outside of these agreements.

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is as follows:

Entity Name	Entity Type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Icon Water Limited	Body Corporate	Australia	100%	Australia
Icon Distribution Investments Limited	Body Corporate	Australia	100%	Australia
Icon Retail Investments Limited	Body Corporate	Australia	100%	Australia

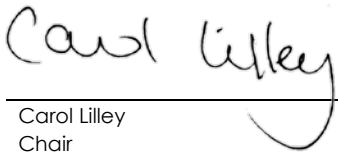
Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 63 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards – General Purpose Financial Statements – Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.

The financial statements were authorised for issue by the directors on 5 September 2024. The directors have the power to amend and reissue the financial statements.

This declaration is made in accordance with a resolution of directors.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Managing Director

Canberra
5 September 2024



Peter Dennis
Risk and Assurance Committee, Chair

Canberra
5 September 2024



Icon Distribution
Investments Limited

ABN 83 073 025 224

ANNUAL
REPORT

For the year ended
30 June 2024

Icon Distribution Investments Limited

ABN 83 073 025 224

Annual Report for the year ended 30 June 2024

Contents	Page
Directors' report.....	1
Independent auditor's report.....	10
Auditor's independence declaration.....	12
Financial report.....	13
Statement of profit or loss and other comprehensive income.....	13
Balance sheet.....	14
Statement of cash flows.....	15
Statement of changes in equity.....	16
Notes to the financial statements.....	17
Directors' declaration.....	30

The financial statements are for Icon Distribution Investments Limited (Icon Distribution) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Distribution Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 8, which does not form part of the financial statements.

The financial statements were authorised for issue on 5 September 2024. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Distribution Investments Limited (Icon Distribution) for the year ended 30 June 2024.

Directors

The following persons held office as directors of Icon Distribution during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Term concluded 17 August 2024

Wendy Caird was first appointed to the Icon Water Board in December 2009, was appointed as Acting Deputy Chair of the Icon Water Board from July 2013, Deputy Chair in March 2014, then Chair from March 2017. Ms Caird's appointment term was extended in March 2020 when she was reappointed as Chair of the Icon Water Board due to her extensive knowledge of Icon Water's business and experience on the ActewAGL Partnerships Board. Ms Caird is the Chair of Icon Water's Remuneration Committee, Chair of Icon Distribution Investments Limited and Icon Retail Investments Limited and until 31 January 2023, Deputy Chair of the ActewAGL Partnerships Board. She was also Chair

of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Chair (from 18 August 2024)

BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2023

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. She is Chair of Icon Water Board's Risk and Assurance Committee and a Member of the Remuneration Committee. Ms Lilley was appointed as Deputy Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Ms Lilley's appointment term was extended in October 2020 due to her specialist financial expertise and extensive knowledge of Icon Water's business. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023.

and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley is currently Chair of the Audit Committee for Transport Canberra and City Services Directorate and she also has various governance roles for Commonwealth Government entities (including as a Member of the Audit & Risk Committees for Services Australia and Chair for the Department of Home Affairs amongst others).

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Ms Lilley is a full time independent board director and Audit Committee Member. She was a Partner in an accounting firm and a financial statement

Directors (continued)

Ray Hezkial, Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Appointed 29 November 2018

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his

previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Peter Dennis

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Appointed 2 May 2020

Peter Dennis was appointed to the Icon Water Board, and as a Director of the Icon Retail Investments Limited Board and the Icon Distribution Investments Limited Board, as well as the Icon Water Remuneration Committee in May 2020. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board. In August 2024, Mr Dennis joined the Icon Water Board's Risk and Assurance Committee in June 2023 and was appointed as Chair in August 2024.

Mr Dennis is General Manager of Water for Beca Hunter H2O, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Peter has extensive experience in all aspects of water utility management including

strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and is an Adjunct Professor in Engineering at the University of Newcastle. He also lectured in Environmental Process Technologies for over 15 years.

Directors (continued)

Brett Tucker, Director

BRurSc, Grad.Cert. Accounting and Finance, MAICD, Churchill Fellow
Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017 and was a Member of the Icon Water Board's Risk and Assurance Committee and Remuneration Committee, and a Director of both the Icon Retail Investments Limited Board and Icon Distribution Investments Limited Board.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities. Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy,

governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Term concluded 31 October 2023

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She is a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission.

Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director-

General of the ACT Environment, Planning and Sustainable Development Directorate (2013–2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Appointed 2 May 2020

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher also sits on the Risk and Assurance Committee. Ms Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years

Julie-Anne Schafer, Director

LLB (Hons), FAICD, ANZIIF

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and Local Buy Pty Ltd.

serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts.

She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She is President of the National Competition Council and chairs several Audit and Risk Committees.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc

Appointed 30 August 2023

Geoffrey Buchanan was appointed to the Icon Water Board from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023. Mr Buchanan has more than 20 years of community engagement experience on cultural heritage, natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement on energy issues as manager of the ACT Energised

Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD
FRAeS

Appointed 30 August 2023

Dr Warren Mundy was appointed to the Icon Water Board, the Icon Water Remuneration Committee, and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited from 1 November 2023. Dr Mundy joined the Icon Water Board's Risk and Assurance Committee in February 2024.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority and a Special Advisor to the Australian Restructuring Insolvency and Turnaround Association and Igneo Infrastructure Partners. He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the

Australian Competitive Neutrality Commissioner. Dr Mundy recently undertook an independent review of Australia's National Legal Assistance Partnership for Australia's Attorneys General. Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport.

He has also been a director of Transgrid Sydney Desalination Plant, Vicforests, Western Community Legal Services, James Watt College for Higher and Further Education, United Kingdom Airports Operators Association and the National Health Co-operative.

Dr Nadine White, Director

LLB (Hons), BLA, PhD, GAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board, the Icon Water Remuneration Committee and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited in August 2024. She is an experienced independent non-executive director in both the public and private sectors, having served previously on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White has been a Director with Care Connect Ltd since 2019; Scope Australia Ltd since 2022, Community Services #1 during 2022-2023, and in 2023 was appointed as a Director to Goodwin Aged Care Services and Dietitians Australia.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope

Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Graduate of the Australian Institute of Company Directors.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and is responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Number of meetings attended	Number of meetings eligible to attend
Wendy Caird	6	6
Carol Lilley	6	6
Ray Hezkial	6	6
Peter Dennis	6	6
Brett Tucker	-	-
Dorte Ekelund	1	2
Dr Helen Locher	5	6
Julie-Anne Schafer	4	6
Geoffrey Buchanan	6	6
Dr Warren Mundy	5	5
Dr Nadine White	-	-

Principal activities and review of operations

Icon Distribution holds a 50% interest in the ActewAGL Distribution Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Distribution Partnership. Icon Distribution Investments Limited and Jemena Networks (ACT) Pty Ltd hold the two issued shares in ActewAGL Distribution Investments Pty Ltd as joint tenants of the ActewAGL Distribution Partnership. ActewAGL Distribution Investments Pty Ltd is a holding company for investments of ActewAGL Distribution.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Distribution during the year.

Trading results and dividends

A dividend of \$13,967,113 (2023: \$97,686,762) has been declared by the directors to be paid, which is 100% of 30 June 2024 after tax net profit.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Distribution has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Distribution Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Distribution materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Distribution.

Insurance of officers and directors

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water, its controlled entities and the ActewAGL Joint Venture.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Distribution, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2023-24 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Distribution and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

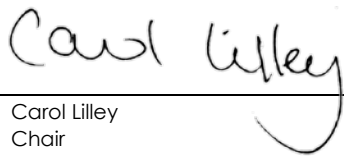
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

Rounding of amounts

Icon Distribution is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Director

Canberra
5 September 2024



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Distribution Investments Limited

Opinion

I have audited the financial report of Icon Distribution Investments Limited (Company) for the year ended 30 June 2024 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, director's declaration and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion, the financial report:

- (i) presents fairly, in all material respects, the Company's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Company for the financial report

The directors of the Company are responsible for:

- preparing and fairly presenting the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of financial report so that it is free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

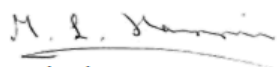
My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General
5 September 2024



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Distribution Investments Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink, appearing to read 'M. L. Harris', with a horizontal line underneath.

Michael Harris
Auditor-General
5 September 2024

Statement of profit or loss and other comprehensive income

	Note	2024 \$'000	2023 \$'000
Revenue			
Share of net profit of the joint venture partnership accounted for using the equity method	2	20,354	139,665
		20,354	139,665
Profit before income tax equivalents expense		20,354	139,665
Income tax equivalents expense	3a	(6,387)	(41,978)
Profit for the year		13,967	97,687
Other comprehensive income			
Revaluation of property, plant and equipment within joint venture investment	5	(23,887)	(64,685)
Income tax equivalents expense relating to components of other comprehensive income	3c	7,166	19,405
Items that will not be reclassified subsequently to profit and loss		(16,721)	(45,280)
Total comprehensive income for the year		(2,754)	52,407
Total comprehensive income is attributable to:			
Owners of Icon Distribution Investments Limited		(2,754)	52,407

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Investments accounted for using the equity method	5	969,974	1,007,007
Total non-current assets		969,974	1,007,007
Total assets		969,974	1,007,007
LIABILITIES			
Current liabilities			
Dividends payable	4, 15d	13,967	97,687
Total current liabilities		13,967	97,687
Non-current liabilities			
Deferred tax balances	7	95,001	100,821
Intercompany loan	6, 15d	792,428	723,202
Total non-current liabilities		887,429	824,023
Total liabilities		901,396	921,710
Net assets		68,578	85,297
EQUITY			
Contributed equity	8	400	400
Reserves	9	68,178	84,897
Total equity		68,578	85,297

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Distributions received from the ActewAGL Distribution Partnership	14e	33,500	25,000
Payments to suppliers (inclusive of goods and services tax)		-	-
Net cash inflow from operating activities		33,500	25,000
Cash flows from financing activities			
Income tax equivalents paid by Icon Water	3a	(5,039)	(39,479)
Payments of dividends to Icon Water	4	(97,687)	(83,389)
Net cash (outflow) from financing activities		(102,726)	(122,868)
Net (increase) in intercompany loan	15e	(69,226)	(97,868)

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	Attributable to the owners of Icon Distribution			Total equity \$'000
		Contributed equity	Reserves	Retained earnings	
		\$'000	\$'000	\$'000	
Balance at 1 July 2022		400	130,177	-	130,577
Profit for the year		-	-	97,687	97,687
Other comprehensive income		-	(45,280)	-	(45,280)
Total comprehensive income for the year		-	(45,280)	97,687	52,407
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(97,687)	(97,687)
Balance at 30 June 2023		400	84,897	-	85,297
Balance at 1 July 2023		400	84,897	-	85,298
Profit for the year		-	-	13,967	13,967
Other comprehensive income		-	(16,720)	-	(16,720)
Total comprehensive income for the year		-	(16,720)	13,967	(2,753)
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(13,967)	(13,967)
Balance at 30 June 2024		400	68,178	-	68,578

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Material accounting policies
2. Revenue
3. Income tax equivalents expense
4. Dividends
5. Investments accounted for using the equity method
6. Financial liabilities
7. Deferred tax balances
8. Contributed equity
9. Reserves
10. Remuneration of auditors
11. Contingent liabilities
12. Commitments for expenditure
13. Events occurring after the reporting period
14. Related party transactions
15. Consolidated entity disclosure statement

1. Material accounting policies

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Icon Distribution as an individual entity.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Distribution is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Simplified Disclosure Requirements

The financial report of Icon Distribution complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2024, current liabilities exceed current assets by \$14.0 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities. In the opinion of the directors, Icon Distribution has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

(b) Rounding and presentation of amounts

Icon Distribution is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

(c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

1. Material accounting policies (continued)

(d) Impact of climate change related risk

Icon Distribution has a significant investment in the ActewAGL Distribution Partnership which owns the gas distribution networks and owns and operates the electricity distribution networks in the ACT and surrounding regions. Australia's transition to a low carbon economy is subject to considerable uncertainty including in relation to government policy, technology development and consumer uptake of new technologies. The ACT Government has introduced legislated targets to reduce electricity emissions to zero and ultimately achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities in the short to medium term.

A fair value assessment of the plant and equipment assets within the partnership was undertaken as at 30 June 2024. The outcome of the combined quantitative and qualitative assessment determined that the fair value of these assets was below the carrying value held by Icon Distribution. This has resulted in the recognition of a revaluation decrement of \$23.9 million in the Asset revaluation reserve (2023: \$64.7 million decrement). Refer to note 5 for further information.

However, considerable uncertainty remains as the energy transition is expected to negatively impact gas demand and customer numbers over the longer term, with some related demand uplift for electricity. In the event that network price caps are put in place that limit the ability to recover the full value of the gas regulated asset based within the ActewAGL Distribution Partnership, this will negatively impact the fair value of the gas network unless future changes to current regulatory pricing mechanisms to deal with potential stranded assets and/or access to other forms of recovery through government compensation is accommodated in the medium to longer term.

The next five-year regulatory pricing period for gas commencing on 1 July 2026 may consider several responses including accelerated depreciation, decommissioning costs and price caps on increases, which will provide a better view as to modelling the future cashflows of the gas network but considerable uncertainty presently exists with respect to the future regulatory response for gas. This may result in a material change to the estimated cash inflows expected to be received by Icon Distribution from its investment in the ActewAGL Distribution Partnership and the resultant fair value of the gas assets in future periods.

2. Revenue

	2024 \$'000	2023 \$'000
Share of net profit from the ActewAGL Distribution Partnership accounted for using the equity method (i)	20,354	139,665
	20,354	139,665

- (i) Included in the share of profit is over-recovery of large scale feed-in tariff (LFIT) of \$61.0 million (30 June 2023: \$54.2 million under-recovery). The ActewAGL Distribution Partnership is subject to a LFIT jurisdictional scheme under which support payments are made by the Partnership to renewable energy generators. The Partnership is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers. These LFIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No asset or liability is recognised as such an adjustment relates to provision of future services

Accounting policy

Icon Distribution derives all of its income from the ActewAGL Distribution Partnership. Icon Distribution recognises the profit or loss as it is generated by the ActewAGL Distribution Partnership.

3. Income tax equivalents expense

(a) Total income tax equivalents expense comprises:

	2024 \$'000	2023 \$'000
Current tax		
Income tax equivalents expense recognised in the current year	5,218	39,822
Adjustment to current tax for prior periods (i)	(177)	(343)
	5,039	39,479
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	1,346	2,499
	1,346	2,499
Income tax equivalents expense	6,387	41,978

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(b) Numerical reconciliation of income tax equivalents expense to prima facie tax payable:

	2024 \$'000	2023 \$'000
Profit before income tax equivalents expense	20,354	139,665
Tax on profit at Australian prima facie tax rate of 30% (2022-23: 30%)	6,106	41,900
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	417	85
Post-tax share of results from joint venture partnerships	41	174
Adjustments to current tax for prior periods (i)	(177)	(181)
Income tax equivalents expense	6,387	41,978

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(c) Income tax equivalents expense recognised in other comprehensive income:

	2024 \$'000	2023 \$'000
<i>Items that will not be reclassified subsequently to profit and loss</i>		
Deferred tax debited directly to equity (Refer note 7)	(7,166)	(19,405)
Income tax equivalents expense relating to components of other comprehensive income	(7,166)	(19,405)

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Distribution is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2024	2023
	\$'000	\$'000
Dividend payable at the beginning of the financial year	97,687	83,389
Amount appropriated from operating profit	13,967	97,687
	111,654	181,076
Amount paid during the year	(97,687)	(83,389)
Dividend payable at the end of the financial year	13,967	97,687

Accounting policy

Icon Distribution pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Investments accounted for using the equity method

	2024 \$'000	2023 \$'000
Non-current assets		
Investment in the ActewAGL Distribution Partnership	969,974	1,007,007
	969,974	1,007,007

The movement in the carrying value in the investment in ActewAGL Distribution Partnership during the year has changed as follows:

	2024 \$'000	2023 \$'000
Carrying amount at beginning of financial year	1,007,007	957,027
Share of net profit from the ActewAGL Distribution Partnership (i)	20,354	139,665
Distributions received from the ActewAGL Distribution Partnership	(33,500)	(25,000)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	(23,887)	(64,685)
Carrying amount at end of financial year	969,974	1,007,007

- (i) Included in the share of profit is over-recovery of large scale feed-in tariff (LFIT) of \$61.0 million (30 June 2023: \$54.2 million under-recovery). The ActewAGL Distribution Partnership is subject to a LFIT jurisdictional scheme under which support payments are made by the Partnership to renewable energy generators. The Partnership is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers. These LFIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No asset or liability is recognised as such an adjustment relates to provision of future services.

Commitments and contingent liabilities in respect to joint ventures

(a) Commitments

Icon Distribution has entered into a joint arrangement with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the gas network in the ACT, Queanbeyan and Shoalhaven regions. Icon Distribution has a 50% participating interest in the ActewAGL Distribution Partnership. Information relating to the ActewAGL Distribution Partnership is set out below:

Share of the ActewAGL Distribution Partnership commitments:

	2024 \$'000	2023 \$'000
Capital commitments	17,526	12,157

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Distribution Partnership exceeded its debts at 30 June 2024.

(b) Bank guarantees

A number of bank guarantees have been provided by the partnership for the normal operations of the business.

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the partnership.

5. Investments accounted for using the equity method (continued)

(c) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Distribution Partnership at year end. Icon Distribution's share of this contingent liability is nil as at 30 June 2024 (30 June 2023: nil).

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Distribution has assessed its joint arrangement in ActewAGL Distribution Partnership and concluded the arrangement to be a joint venture. The interest in the joint venture is accounted for using the equity method. Under this method, the share of the profits or losses of the partnership is recognised as income in the statement of profit or loss and other comprehensive income, and the share of movement in reserves is recognised in reserves in the balance sheet.

5. Investments accounted for using the equity method (continued)

Accounting policy (continued)

Icon Distribution's share in the plant and equipment assets of the ActewAGL Distribution Partnership will be adjusted to fair value, if material, to align to Icon Water Group's accounting policy on property, plant and equipment assets. The valuation is conducted by way of discounting the expected cash flows of the ActewAGL Distribution Partnership to present value.

An annual assessment of fair value is performed to determine if it is materially different to the carrying value at the end of the reporting period. The assessment includes both qualitative and quantitative reviews.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045.

In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 21-year period. For the year ended 30 June 2024, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 21 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- forecasts include cash inflows anticipated from the disposal of decommissioned regulated assets;
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Cost of Capital (WACC) discount rate of 6.10% (2023: 6.00%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;
- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. Inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

5. Investments accounted for using the equity method (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2024 resulted in a \$14.1 million increment adjustment (30 June 2023: \$40.8 million decrement) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2024, the fair value of electricity assets has been determined by application of an income approach using a discounted cash flow method. The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the WACC;
- the WACC discount rate of 6.00% (2023: 6.00%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, derived from the approved 2024-25 long term forecasts and taking into account the latest determinations from the AER; and
- the projected regulatory asset base value at a multiple of 1.225 (30 June 2023: 1.25) has been used to compute the terminal value of the valuation.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2024 resulted in a \$38.0 million decrement adjustment (30 June 2023: \$23.9 million decrement) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

For the year ended 30 June 2024, the combined valuation exercise for gas and electricity assets resulted in the recognition of a \$23.9 million decrement (30 June 2023: \$64.7 million decrement) in the Asset revaluation reserve.

6. Financial liabilities

	2024 \$'000	2023 \$'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	792,428	723,202
	792,428	723,202

Accounting policy

The intercompany loan liability to Icon Water Limited is non-interest bearing, unsecured and is not payable in the normal course of business.

7. Deferred tax balances

	2024 \$'000	2023 \$'000
Net deferred tax liability		
At the beginning of the financial year	100,821	117,727
Income tax (charged)/credited to the statement of profit or loss (Refer note 3a)	1,346	2,499
Income tax (charged)/credited to other comprehensive income and equity (Refer note 3c)	(7,166)	(19,405)
At the end of the financial year	95,001	100,821

The composition of Icon Distribution's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax liability		(Credited)/charged to the statement of profit or loss	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investments accounted for using the equity method	65,782	64,436	(1,346)	(2,499)
Asset revaluation reserve	29,219	36,385	-	-
Total	95,001	100,821	(1,346)	(2,499)

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total \$'000
Balance as at 1 July 2023	400,000	400
Balance as at 30 June 2024	400,000	400

Icon Distribution does not have a limited amount of authorised capital.

9. Reserves

	2024	2023
	\$'000	\$'000
Asset revaluation reserve	68,178	84,897
Total reserves	68,178	84,897

Accounting Policy

The asset revaluation reserve is used to record increments and decrements on Icon Distribution's valuation of the ActewAGL Distribution Partnership plant and equipment assets.

10. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Distribution.

11. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2023: nil).

12. Commitments for expenditure

At 30 June 2024, Icon Distribution had not committed to any future capital expenditure (30 June 2023: nil).

13. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect, Icon Distribution's operations in future financial periods or the results of those operations in future financial periods.

14. Related party transactions

(a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Distribution.

Any transactions with directors or in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

(b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

(c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

(d) Outstanding balances arising from transactions with related entities

	2024 \$	2023 \$
Amounts due to immediate parent entity		
Current	13,967,113	97,686,762
Non-current	792,427,853	723,202,468
Total related party payables	806,394,966	820,889,230

(e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2024 \$	2023 \$
Distributions received from the ActewAGL Distribution Partnership	(33,500,000)	(25,000,000)
Payments to suppliers made on behalf of Icon Distribution	-	-
Payment of dividends to Icon Water Limited	97,686,772	83,389,485
Income tax equivalent payments made on behalf of Icon Distribution	5,038,613	39,478,998
Net increase in intercompany loan with Icon Water Limited	69,225,385	97,868,483

(f) Loan from immediate parent entity

	2024 \$	2023 \$
Balance at the beginning of the financial year	723,202,469	625,333,986
Net increase in intercompany loan with Icon Water Limited	69,225,385	97,868,483
Balance at the end of the financial year	792,427,854	723,202,469

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

15. Consolidated entity disclosure statement

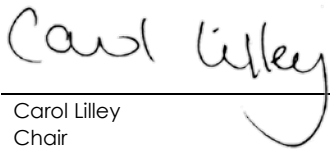
Disclosure of subsidiaries and their country of tax residency as required by the *Corporations Act 2001* does not apply to the company as the company is not required by accounting standards to prepare consolidated financial statements.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 29, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable (refer to note 1a(v));

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 5 September 2024. The directors have the power to amend and reissue the financial statements.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Director

Canberra
5 September 2024



Icon Retail Investments
Limited

ABN 23 074 371 207

ANNUAL REPORT

For the year ended
30 June 2024

Icon Retail Investments Limited

ABN 23 074 371 207

Annual Report for the year
ended 30 June 2024

Contents	Page
Directors' report.....	1
Independent auditor's report.....	11
Auditor's independence declaration.....	13
Financial report.....	14
Statement of profit or loss and other comprehensive income.....	14
Balance sheet.....	15
Statement of cash flows.....	16
Statement of changes in equity.....	17
Notes to the financial statements.....	18
Directors' declaration.....	30

The financial statements are for Icon Retail Investments Limited (Icon Retail) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Retail Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 9, which does not form part of the financial statements.

The financial statements were authorised for issue on 5 September 2024. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Retail Investments Limited (Icon Retail) for the year ended 30 June 2024.

Directors

The following persons held office as directors of Icon Retail during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Term concluded 17 August 2024

Wendy Caird was first appointed to the Icon Water Board in December 2009, she was appointed as Acting Deputy Chair from July 2013 and Deputy Chair in March 2014. Due to her extensive knowledge of Icon Water's business, and experience on the ActewAGL Partnerships Board, Ms Caird was appointed as Chair of the Icon Water Board, Icon Distribution Investments Limited, Icon Retail Investments Limited, and the Icon Water Remuneration Committee from March 2017 until her retirement in August 2024. Ms Caird served as Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022 and was a member of the ActewAGL Partnerships Board until 31 January 2023.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Chair (from 17 August 2024)

BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2023

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023 and as Chair from November 2023.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member of the Services Australia Audit & Risk Committee and Chair of the Department of Home Affairs Audit and Risk Committee, amongst others.

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Ray Hezkial, Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Appointed 29 November 2018

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his

previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Peter Dennis, Director

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Appointed 2 May 2020

Peter Dennis was appointed to the Icon Water Board, and as a Director of the Icon Retail Investments Limited Board and the Icon Distribution Investments Limited Board, as well as the Icon Water Remuneration Committee in May 2020. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Icon Water Board's Risk and Assurance Committee in June 2023 and was appointed as Chair in August 2024.

Mr Dennis is General Manager of Water for Beca Hunter H2O, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management including

strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years.

Directors (continued)

Brett Tucker, Director

BRurSc, Grad.Cert. Accounting and Finance, MAICD, Churchill Fellow

Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017. He was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Tucker was also a Member of the Icon Water Board's Risk and Assurance Committee until April 2023.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy, governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Term concluded 31 October 2023

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission. Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director

General of the ACT Environment, Planning and Sustainable Development Directorate (2013 - 2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Appointed 2 May 2020

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher was a member of the Icon Water on the Risk and Assurance Committee until February 2024. Dr Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15

years serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Julie-Anne Schafer, Director

LLB (Hons), FAICD, ANZIF

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and Local Buy Pty Ltd.

Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She is President of the National Competition Council and chairs several Audit and Risk Committees.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board and the Icon Water Remuneration Committee from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023.

Mr Buchanan has more than 20 years of community engagement experience on wellbeing, cultural and natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement

on energy issues as manager of the ACT Energised Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and Care Financial Counselling Services (since 2023), and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board, the Icon Water Remuneration Committee, and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited from 1 November 2023. Dr Mundy joined the Icon Water Board's Risk and Assurance Committee in February 2024.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority and a Special Advisor to the Australian Restructuring Insolvency and Turnaround Association and Igneo Infrastructure Partners.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and

also served as the Australian Competitive Neutrality Commissioner. Dr Mundy recently undertook an independent review of Australia's National Legal Assistance Partnership for Australia's Attorneys General.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of the Transgrid Sydney Desalination Plant, Vicforests, the Western Community Legal Services, James Watt College for Higher and Further Education, the United Kingdom Airports Operators Association and the National Health Co-operative.

Dr Nadine White, Director

LLB (Hons), BLA, PhD, GAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board, the Icon Water Remuneration Committee and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited in August 2024. She is an experienced independent non-executive director in both the public and private sectors, having served previously on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White has been a Director with Care Connect Ltd since 2019; Scope Australia Ltd since 2022, Community Services #1 during 2022-2023, and in 2023 was appointed as a Director to Goodwin Aged Care Services and Dietitians Australia.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope

Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Graduate of the Australian Institute of Company Directors.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and is responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Number of meetings attended	Number of meetings eligible to attend
Wendy Caird	6	6
Carol Lilley	6	6
Ray Hezkial	6	6
Peter Dennis	6	6
Brett Tucker	-	-
Dorte Ekelund	1	2
Dr Helen Locher	5	6
Julie-Anne Schafer	5	6
Geoffrey Buchanan	6	6
Dr Warren Mundy	5	5
Dr Nadine White	-	-

Principal activities and review of operations

Icon Retail holds a 50% interest in the ActewAGL Retail Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Retail Partnership. Icon Retail along with AGL ACT Retail Investments Pty Ltd hold two issued shares as joint tenants of ActewAGL Retail Investments Pty Ltd. ActewAGL Retail Investments Pty Ltd is a holding company for the investments of the ActewAGL Retail Partnership.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Retail during the year.

Trading results and dividends

A dividend of \$18,065,186 (2023: \$11,792,047) has been declared by the directors to be paid, which is 100% of 30 June 2024 after tax net profit.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Retail has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Retail Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Retail materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Retail.

Insurance of officers

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Retail, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2023-24 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Retail and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense. No liability has arisen under these indemnities as at the date of this report.

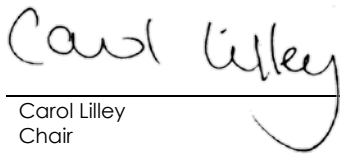
Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

Icon Retail is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Director

Canberra
5 September 2024



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Retail Investments Limited

Opinion

I have audited the financial report of Icon Retail Investments Limited (Company) for the year ended 30 June 2024 which comprises the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, directors' declaration and notes to the financial statements, including material accounting policy information and other explanatory notes.

In my opinion, the financial report:

- (i) presents fairly, in all material respects, the Company's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the '*Auditor's responsibilities for the audit of the financial report*' section of this report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Company for the financial report

The directors of the Company are responsible for:

- preparing and fairly presenting the financial in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of the financial report that is free from material misstatement, whether due to error or fraud; and
- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

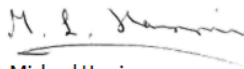
My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General

5 September 2024



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Retail Investments Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Michael Harris
Auditor-General
5 September 2024

Statement of profit or loss and other comprehensive income

	Note	2024 \$'000	2023 \$'000
Revenue			
Share of net profit of the joint venture partnership accounted for using the equity method	2	25,759	17,089
		25,759	17,089
Profit before income tax equivalents expense			
		25,759	17,089
Income tax equivalents expense	3a	(7,694)	(5,297)
Profit for the year			
		18,065	11,792
Total comprehensive income for the year			
		18,065	11,792
Total comprehensive income is attributable to:			
Owners of Icon Retail Investments Limited		18,065	11,792

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Receivables	5a, 14d	6,737	6,737
Investments accounted for using the equity method	6	48,256	48,297
Deferred tax balances	7	1,791	1,422
Total non-current assets		56,784	56,456
Total assets		56,784	56,456
LIABILITIES			
Current liabilities			
Dividends payable	4, 14d	18,065	11,792
Total current liabilities		18,065	11,792
Non-current liabilities			
Intercompany loan	5b, 14d	37,719	43,664
Total non-current liabilities		37,719	43,664
Total liabilities		55,784	55,456
Net assets		1,000	1,000
EQUITY			
Contributed equity	8	1,000	1,000
Total equity		1,000	1,000

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Distributions received from the ActewAGL Retail Partnership	13e	25,800	17,000
Payments to suppliers (inclusive of goods and services tax)		-	-
Net cash inflow from operating activities		25,800	17,000
Cash flows from financing activities			
Income tax equivalents paid by Icon Water	3	(8,063)	(5,628)
Payments of dividends to Icon Water	4	(11,792)	(11,161)
Net cash (outflow) from financing activities		(19,855)	(16,789)
Net decrease in intercompany loan	14e	5,945	211

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	Attributable to the owners of Icon Retail		Total equity \$'000
		Contributed equity \$'000	Retained earnings \$'000	
Balance at 1 July 2022		1,000	-	1,000
Profit for the year		-	11,792	11,792
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(11,792)	(11,792)
Balance at 30 June 2023		1,000	-	1,000
Balance at 1 July 2023		1,000	-	1,000
Profit for the year		-	18,065	18,065
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(18,065)	(18,065)
Balance at 30 June 2024		1,000	-	1,000

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the Australian Accounting Standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Material accounting policies
2. Revenue
3. Income tax equivalents expense
4. Dividends
5. Financial assets and liabilities
6. Investments accounted for using the equity method
7. Deferred tax balances
8. Contributed equity
9. Remuneration of auditors
10. Contingent liabilities
11. Commitments for expenditure
12. Events occurring after the reporting period
13. Related party transactions
14. Consolidated entity disclosure statement

1. Material accounting policies

The material accounting policies adopted in the preparation of the financial report are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Retail is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial report of Icon Retail complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2024, current liabilities exceed current assets by \$18.1 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities. In the opinion of the directors, Icon Retail Investments Limited has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

b) Rounding and presentation of amounts

Icon Retail is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

1. Material accounting policies (continued)

d) Impact of climate change related risk

Australia's transition to a low carbon economy is subject to considerable uncertainty including in relation to government policy, technology development and consumer uptake of new technologies. The ACT Government has legislated targets to reduce electricity emissions to zero and ultimately achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities in the short to medium term.

Icon Retail has a significant investment in the ActewAGL Retail Partnership which sells electricity, gas and other services to its retail and commercial customers in the ACT and surrounding regions. It has been assessed that the recent change in the ACT Government's policy has not affected the future cash flow projections and recoverable asset values in determining the fair valuation of the investment in the ActewAGL Retail Partnership as at 30 June 2024.

The energy transition represents a period of significant change and volatility which presents both risks and opportunities for the ActewAGL Retail Partnership. The continued shift towards full electrification will likely increase the overall demand for electricity and a move away from fossil-fuel gas. Ahead of 2045, there may be regulatory intervention in both the national electricity and gas markets, including the possibility of the introduction of network price caps. In such an event, the network price caps would impact all retailers.

2. Revenue

	2024 \$'000	2023 \$'000
Share of net profit from the ActewAGL Retail Partnership accounted for using the equity method	25,759	17,089
	25,759	17,089

Accounting policy

Icon Retail derives all of its income from the ActewAGL Retail Partnership. Icon Retail recognises the profit or loss as it is generated by the ActewAGL Retail Partnership.

3. Income tax equivalents expense

a) Total income tax equivalents expense comprises:

	2024	2023
	\$'000	\$'000
Current tax		
Income tax equivalents expense recognised in the current year	8,063	5,384
Adjustment to current tax for prior periods (i)	-	245
	8,063	5,629
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	(369)	(332)
	(369)	(332)
Income tax equivalents expense	7,694	5,297

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2024	2023
	\$'000	\$'000
Profit before income tax equivalents expense	25,759	17,089
Tax on profit at Australian prima facie tax rate of 30% (2022-23: 30%)	7,727	5,127
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	20	19
Post-tax share of results from joint venture partnerships	75	128
Adjustments to current tax for prior periods (i)	(128)	23
Income tax equivalents expense	7,694	5,297

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Retail is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in its controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2024 \$'000	2023 \$'000
Dividend payable at the beginning of the financial year	11,792	11,161
Amount appropriated from operating profit	18,065	11,792
	29,857	22,953
Amount paid during the year	(11,792)	(11,161)
Dividend payable at the end of the financial year	18,065	11,792

Accounting policy

Icon Retail pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Financial assets and liabilities

a) Receivables

	2024 \$'000	2023 \$'000
Non-current assets		
Intercompany receivable – Icon Water Limited	6,737	6,737
	6,737	6,737

Accounting policy

These amounts represent receivables from Icon Water Limited relating to tax losses. Icon Retail holds the receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

b) Financial liabilities

	2024 \$'000	2023 \$'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	37,719	43,664
	37,719	43,664

Accounting policy

The intercompany loan liability to the immediate parent entity, Icon Water Limited, is non-interest bearing, unsecured and is not payable in the normal course of business.

6. Investments accounted for using the equity method

	2024 \$'000	2023 \$'000
Non-current assets		
Investments in the ActewAGL Retail Partnership	48,256	48,297
	48,256	48,297

The movement in the carrying value in the investment in ActewAGL Retail Partnership during the year has changed as follows:

	2024 \$'000	2023 \$'000
Carrying amount at beginning of financial year	48,297	49,202
Share of net profit from the ActewAGL Retail Partnership	25,759	17,089
Distributions received from the ActewAGL Retail Partnership	(25,800)	(17,000)
Carrying amount at end of financial year	48,256	48,297

Commitments and contingent liabilities in respect to joint ventures

a) Commitments

Icon Retail has entered into a joint arrangement with AGL ACT Retail Investments Pty Ltd to sell electricity and gas to its retail and commercial customers in the ACT and surrounding regions (including Goulburn, Boorowa, Yass, Young and Shoalhaven).

Icon Retail has a 50% participating interest in the ActewAGL Retail Partnership. Each of the partners in the ActewAGL Retail Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Retail Partnership exceeded its debts at 30 June 2024.

Icon Retail Investments Limited holds shares in ActewAGL Retail Investments Pty Ltd along with AGL ACT Retail Investments as joint tenants.

The ActewAGL Retail Partnership did not have any contractual commitments for future expenditure as at 30 June 2024 (30 June 2023: nil).

b) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Retail Partnership at year end. Icon Retail's share of this contingent liability is nil at 30 June 2024 (30 June 2023: nil).

6. Investments accounted for using the equity method (continued)

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Retail has assessed its joint arrangements in ActewAGL Retail Partnership and ActewAGL Retail Investments Pty Ltd and concluded the arrangements to be joint ventures. The interests in the joint ventures are accounted for using the equity method. Under this method, the share of profit or losses of the partnership or company is recognised as income in the statement of profit or loss and comprehensive income, and the share of movement in reserves is recognised in reserves in the statement of financial position.

Icon Retail's share in plant and equipment assets of the ActewAGL Retail Partnership is adjusted to fair value if considered material to align to Icon Water Group's accounting policy on infrastructure property, plant and equipment assets accounted for at fair value.

7. Deferred tax balances

	2024 \$'000	2023 \$'000
Net deferred tax asset		
At the beginning of the financial year	1,422	1,090
Income tax credited to the statement of profit or loss	369	332
At the end of the financial year	1,791	1,422

The composition of Icon Retail's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax asset		(Credited)/charged to the statement of profit or loss	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investments accounted for using the equity method	1,791	1,422	(369)	(332)
Total	1,791	1,422	(369)	(332)

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total \$'000
Balance as at 1 July 2023	1,000	1,000
Balance as at 30 June 2024	1,000	1,000

Icon Retail does not have a limited amount of authorised capital.

9. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Retail.

10. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2023: nil).

11. Commitments for expenditure

At 30 June 2024, Icon Retail had not committed to any future capital expenditure (30 June 2023: nil).

12. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect, Icon Retail's operations in future financial periods or the results of those operations in future financial periods.

13. Related party transactions

a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Retail.

Any transactions with directors or with entities in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

d) Outstanding balances arising from transactions with related entities

	2024 \$	2023 \$
Amounts due from immediate parent entity	6,736,996	6,736,996
Total related party receivables	6,736,996	6,736,996
Amounts due to immediate parent entity		
Current	18,065,186	11,792,047
Non-current	37,718,959	43,664,036
Total related party payables	55,784,145	55,456,083

e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2024 \$	2023 \$
Distributions received from the ActewAGL Retail Partnership	(25,800,000)	(17,000,000)
Payment of dividends to Icon Water Limited	11,792,047	11,161,239
Income tax equivalents payments made on behalf of Icon Retail	8,062,878	5,628,288
Net decrease in intercompany loan with Icon Water Limited	(5,945,077)	(210,473)

13. Related party transactions (continued)

f) Loan from immediate parent entity

	2024 \$	2023 \$
Balance at the beginning of the financial year	43,664,036	43,874,509
Net decrease in intercompany loan with Icon Water Limited	(5,945,077)	(210,473)
Balance at the end of the financial year	37,718,959	43,664,036

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water Limited and is reflected in the financial statements of that company.

14. Consolidated entity disclosure statement

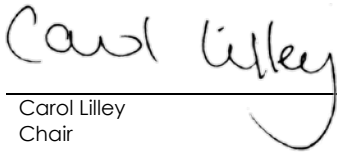
Disclosure of subsidiaries and their country of tax residency as required by the *Corporations Act 2001* does not apply to the company as the company is not required by accounting standards to prepare consolidated financial statements.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 29, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Icon Retail's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that Icon Retail Investments Limited will be able to pay its debts as and when they become due and payable (refer to note 1a(v)).

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 5 September 2024. The directors have the power to amend and reissue the financial statements.



Carol Lilley
Chair

Canberra
5 September 2024



Ray Hezkial
Director

Canberra
5 September 2024

ActewAGL Joint Venture

**Summary financial report
for the year ended 30 June 2024**

ActewAGL

ActewAGL Joint Venture
Summary financial report
For the year ended 30 June 2024

Contents	Page
Financial statements	
Introduction to the summary financial report	1
Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in Joint Venture funds	4
Statement of cash flows	5
Joint Venture Board's declaration	6
Independent auditor's report to the Partners	7
Auditor's independence declaration	8

ActewAGL Joint Venture
Introduction to the summary financial report
For the year ended 30 June 2024

Introduction to the summary financial report

Basis of preparation

This summary financial report is based on the special purpose financial report for the ActewAGL Joint Venture for the year ended 30 June 2024.

The summarised financial report is consistent with the special purpose financial report from which it is derived.

Profit

Profit for the year ended 30 June 2024 was \$94 million, compared to the prior year's profit of \$313 million. This decrease in profit is primarily due to the financial impact of the large-scale feed-in tariff (LFIT) scheme which is administered by Evoenergy on behalf of the ACT Government.

Total revenue for the year ended 30 June 2024 was \$867 million compared to \$971 million in the prior year. The decrease is primarily due to the return of a portion of LFIT over-recovery to ACT customers in the current year through lower network charges, and the reduced sale of energy attributable to lower energy consumption resulting from milder weather.

Total other income for the year ended 30 June 2024 was \$80 million compared to \$76 million in the prior year. The increase is primarily due to the increase in capital contributions received by Evoenergy for capital works undertaken on behalf of its customers.

The total cost of providing goods and services for the year ended 30 June 2024 was \$794 million compared to \$670 million in the prior year. The increase is primarily due to the increased cost of electricity purchases due to higher wholesale electricity costs and the increased cost of payments made to generators by Evoenergy with respect to the LFIT scheme.

Cash flow

The Joint Venture generated \$183 million from its operating activities for the year ended 30 June 2024 compared to \$397 million in the prior year.

Net cash outflows used in investing activities were \$162 million for the current year, compared to \$132 million for the prior year.

Cash surplus to the Joint Venture's operational requirements is returned to the Partners in the form of cash distributions. In the current financial year, \$119 million was distributed to ActewAGL's Partners, \$35 million higher than the \$84 million in the prior year, this increase occurring in both the Distribution Partnership (AAD) and Retail Partnership (AAR).

In AAD, this is primarily due to lower distributions in the prior year as a portion of the LFIT scheme over-recovery balance had previously been distributed to the AAD Partners and was required to be recovered via lower distributions in the prior year. For AAR, the increase is in line with the increase in profit.

Financial position

At 30 June 2024, the Joint Venture had net assets of \$1,839 million compared to \$1,864 million in the prior year. The decrease is primarily due to the lower cash balance due to a lower LFIT over-recovery balance being retained in AAD partially offset by an increase in the capital investment in the energy network.

Cash available at 30 June 2024, including the LFIT over-recovery balance, was \$200 million, \$104 million lower than the prior year. Current assets were \$432 million compared to \$546 million in the prior year. Current liabilities were \$285 million compared to \$280 million at the same time last year. The Joint Venture does not have any borrowings other than for leases of motor vehicles. The carrying value of property, plant and equipment is \$1,625 million, compared to \$1,526 million in the prior year, the increase is primarily due to the capital investment in the energy network.

ActewAGL Joint Venture
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Continuing operations		
Revenue	866,838	971,082
Other income	79,620	75,653
Cost of providing goods and services	(794,232)	(670,045)
Share of (losses)/profits of joint ventures	(252)	269
Profit before net financing income, depreciation and amortisation	151,974	376,959
Depreciation and amortisation	(72,372)	(73,025)
Profit before net financing income	79,602	303,934
Finance income	15,362	10,721
Finance costs	(1,330)	(1,569)
Net financing income	14,032	9,152
Profit before tax	93,634	313,086
Income tax expense	-	-
Profit for the year	93,634	313,086
Profit for the year is attributable to:		
Partners of the ActewAGL Joint Venture	93,634	313,086
Other comprehensive income for the year	-	-
Total comprehensive income for the year	93,634	313,086
Total comprehensive income for the year is attributable to:		
Partners of the ActewAGL Joint Venture	93,634	313,086

ActewAGL Joint Venture
Statement of financial position
As at 30 June 2024

	2024 \$'000	2023 \$'000
Assets		
Current assets		
Cash and cash equivalents	200,355	304,423
Trade and other receivables	71,348	88,544
Contract assets	132,389	128,452
Inventories	17,501	16,437
Other current assets	10,129	8,127
Total current assets	431,722	545,983
Non-current assets		
Investments in joint ventures	-	2,811
Receivables	3,132	3,958
Property, plant and equipment	1,625,439	1,525,707
Right-of-use assets	22,903	25,164
Intangible assets	64,592	67,602
Total non-current assets	1,716,066	1,625,242
Total assets	2,147,788	2,171,225
Liabilities		
Current liabilities		
Trade and other payables	74,600	81,837
Contract liabilities	174,330	162,519
Provisions	29,195	29,168
Other liabilities including leases	6,732	6,929
Total current liabilities	284,857	280,453
Non-current liabilities		
Contract liabilities	-	238
Provisions	1,853	1,790
Other liabilities including leases	22,162	24,862
Total non-current liabilities	24,015	26,890
Total liabilities	308,872	307,343
Net assets	1,838,916	1,863,882
Joint Venture Funds		
Joint Venture funds	1,838,916	1,863,882
Total Joint Venture funds	1,838,916	1,863,882

ActewAGL Joint Venture
Statement of changes in Joint Venture funds
For the year ended 30 June 2024

	Total Joint Venture funds \$'000
Balance at 1 July 2023	1,863,882
Profit for the year	93,634
Other comprehensive income for the year	-
Total comprehensive income for the year	93,634
Transactions with Partners in their capacity as Partners:	
Distributions paid	(118,600)
Balance at 30 June 2024	1,838,916

		Total Joint Venture funds \$'000
Balance at 1 July 2022	≡	1,634,796
Profit for the year	-	313,086
Other comprehensive income for the year		-
Total comprehensive income for the year		313,086
Transactions with Partners in their capacity as Partners:		
Distributions paid		(84,000)
Balance at 30 June 2023		1,863,882

ActewAGL Joint Venture
Statement of cash flows
For the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,060,473	1,242,756
Payments to suppliers and employees (inclusive of GST)	(892,216)	(854,311)
Finance income received	15,611	9,762
Finance costs paid	(1,295)	(1,565)
Net cash inflow from operating activities	182,573	396,642
Cash flows from investing activities		
Payments for property, plant and equipment	(154,495)	(125,369)
Payments for intangible assets	(8,653)	(6,528)
Proceeds from sale of property, plant and equipment	505	274
Proceeds from sale of investment in joint ventures	600	-
Net cash (outflow) from investing activities	(162,043)	(131,623)
Cash flows from financing activities		
Distributions paid to Partners	(118,600)	(84,000)
Principal elements of lease payments	(5,998)	(8,011)
Net cash (outflow) from financing activities	(124,598)	(92,011)
Net (decrease)/increase in cash and cash equivalents	(104,068)	173,008
Cash and cash equivalents at the beginning of the year	304,423	131,415
Cash and cash equivalents at the end of the year	200,355	304,423

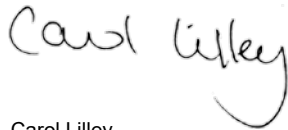
ActewAGL Joint Venture
Joint Venture Board's declaration
For the year ended 30 June 2024

The ActewAGL Joint Venture prepares a special purpose financial report to satisfy the Board's reporting requirements under the *ACTEW/AGL Partnership Facilitation Act 2000*.

In the Board Members' opinion:

- a) the financial statements of the ActewAGL Joint Venture set out on pages 1 to 5:
 - i. comply with applicable Australian Accounting Standards and other mandatory professional reporting requirements; and
 - ii. present fairly, in all material respects, the Joint Venture's financial position as at 30 June 2024 and its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Partnerships which form the basis of the Joint Venture will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Joint Venture Board.



Carol Lilley
Chair

Canberra, 3 September 2024



Ray Hezkial
Board Member

Canberra, 3 September 2024

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL REPORT

To the Partners of the ActewAGL Joint Venture

Opinion

I have audited the summary financial report of the ActewAGL Joint Venture (Joint Venture) for the year ended 30 June 2024 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in joint venture funds, statement of cash flows and the ActewAGL Joint Venture Board's (Board's) declaration. The summary financial report has been derived from the audited special purpose financial report of the ActewAGL Joint Venture for the year ended 30 June 2024.

On 5 September 2024, I issued an unmodified audit opinion on the special purpose financial report of the Joint Venture for the year ended 30 June 2024.

In my opinion, the summary financial report, derived from the audited special purpose financial report of the Joint Venture for the year ended 30 June 2024, is consistent, in all material respects, with the special purpose financial report.

Emphasis of matter – basis of accounting and restriction on distribution and use

Without modifying my opinion, I draw attention to the Introduction to the summary financial report and Joint Venture Board's declaration which describe the basis of preparation. The summary financial report has been prepared to assist the ActewAGL Joint Venture to meet the financial reporting requirements of the *ACTEW/AGL Partnership Facilitation Act 2000*. As a result, the summary financial report may not be suitable for another purpose.

The auditor's report is intended solely for the Partners of the Joint Venture and should not be distributed to or used by parties other than the Partners of the Joint Venture.

Summary financial report

The summary financial report does not contain all Australian Accounting Standard disclosures applied by the Joint Venture in preparing in the audited special purpose financial report. Reading the summary financial report and auditor's report thereon, therefore, is not a substitute for reading the audited special purpose financial report or auditor's report.

Responsibilities of the Joint Venture Board for the summary financial report

The Board is responsible for the preparation of the summary financial report.

Auditor's responsibilities

I am responsible for expressing an opinion on whether the summary financial report is consistent, in all material respects, with the audited special purpose financial report based on procedures conducted in accordance with Australian Auditing Standard ASA 810: *'Engagements to Report on Summary Financial Statements'*.



Michael Harris
Auditor-General
5 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the summary financial report of the ActewAGL Joint Venture for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Michael Harris
Auditor-General
5 September 2024



APPENDICES

COMPLIANCE STATEMENT

The Icon Water Limited (Icon Water) Annual Report must comply with the Annual Reports (Government Agencies) Directions 2024 (the Directions). The Directions are found at the ACT Legislation Register: legislation.act.gov.au

This compliance statement indicates the subsections, under the five parts of the Directions that are applicable to Icon Water and the location of the information that satisfies these requirements.

Part 1: Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The Icon Water Annual Report complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for Icon Water are provided within this Annual Report to give readers the opportunity to provide feedback.

Part 2: Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and Icon Water complies with all subsections other than those which are not applicable to Icon Water as identified in the Omissions report. The information that satisfies the requirements of Part 2 is found in the Icon Water Annual Report as follows:

- a. Transmittal certificate (see page 1)
- b. Organisational overview and performance (see section 1, 2 and 3)
- c. Financial management reporting (see section 4)

Part 3: Reporting by Exception

Icon Water, as a Territory-owned corporation, has nil information to report by exception under Part 3 of the Directions for the 2023–24 reporting period.

Part 4: Agency Specific Annual Report requirements

The following subsections of Part 4 of the Directions are not applicable to Icon Water and are disclosed in the Omissions Report:

- Chief Minister, Treasury and Economic Development
- Education
- Health
- Justice Agencies
- Care and Carer Support Agencies
- City Centre Marketing and Improvements Levy
- Gambling and Racing

- Ministerial and Director-General Directions
- Public Land Management Plans.

Part 5: Whole of Government Annual Reporting

As a Territory-owned corporation, Icon Water is not required to participate in whole of government annual reporting. However, in 2022–23 we did provide input into the ACT Government's Whole of Government annual reporting in relation to our bushfire risk management practices.

As per Part 5 of the Directions, Icon Water must comply with the Part 5 reporting requirements within our own report. The information that satisfies the requirements of Part 5 is found in Section 3 of the Icon Water Annual Report as follows:

- Bushfire risk management (page 71)
- Human rights (page 78)
- Legal services directions (page 78)
- Territory records (page 74)

OMISSIONS REPORT

As a public unlisted company Icon Water is not required to comply with a number of ACT Government reporting requirements which are applicable to public sector entities.

These are outlined below.

Reporting Requirement	Reason/s for Omissions
B.9 Aboriginal and Torres Strait Islander Reporting	The ACT Agreement and the National Agreement are not applicable to Icon Water. However, information on Aboriginal and Torres Strait Islander community engagement is in Section 3.
B.10 Multiculturalism Act 2023 Reporting	The Multiculturalism Act 2023 is not applicable to Territory-owned corporations.
C.3 Capital Works	Government policy – not applicable to Icon Water. However, details of Icon Water’s major capital works are detailed in Section 2
C.4 Asset Management	Government policy – not applicable to Icon Water. However, details of Icon Water’s Asset Management Strategies are detailed in Section 2.
C.5 Government Contracting	The Government Procurement Act 2001 is not applicable to Icon Water
C.6 Statement of Performance	Government policy – not applicable to Icon Water Icon Water’s performance is detailed in Sections 1, 2 and 4.
D.1 Dangerous substances	Not applicable to Territory-owned corporations.
D.2 Medicines, poisons and therapeutic goods	Not applicable to Territory-owned corporations.
Chief Minister, Treasury and Economic Development	Not applicable to Icon Water
Education	Not applicable to Icon Water
City Centre Marketing and Improvements Levy	Not applicable to Icon Water
Health	Not applicable to Icon Water
Justice Agencies	Not applicable to Icon Water
Care and Carer Support Agencies	Not applicable to Icon Water
Gambling and Racing	Not applicable to Icon Water
Ministerial & Director-General Directions	Not applicable to Icon Water
Public Land Management Plans	Not applicable to Icon Water

GLOSSARY OF ACRONYMS

ADWG	Australian Drinking Water Guidelines	IDIL	Icon Distribution Investments Limited
AGL	Australia Gas Light Company	IMS	Integrated Management System
AIIMS	Australasian Inter-Service Incident Management System	IRIL	Icon Retail Investments Limited
AMR	Antimicrobial Resistance	IWMP	Integrated Water Management Program
ANU	Australian National University	KPI	Key Performance Indicator
ANZBP	Australian and New Zealand Biosolids Partnership	LMWQCC	Lower Molonglo Water Quality Control Centre
BEV	Battery Electric Vehicles	M2G	Murrumbidgee to Googong pipeline
BOM	Bureau of Meteorology	MIB	2-Methylisoborneol
BOP	Bushfire Operational Plan	ML	Megalitres
CIRMP	Critical Infrastructure Management Program	MLA	Member of the Legislative Assembly
CRC	Cooperative Research Centre	ENSO	El Niño-Southern Oscillation
CSA	Corporate Services Agreement	OCU	Odour Control Unit
DVCS	Domestic Violence Crisis Support	PID	Public Interest Disclosure
EVP	Employee Value Proposition	PHS	People, Health and Safety
FOGO	Food Organics, Garden Organics	PWCM	Permanent Water Conservation Measures
FOI	Freedom of Information	RAP	Reconciliation Action Plan
FTE	Full Time Equivalent	STEM	Science, Technology, Engineering and Mathematics
FY	Financial Year	TOC	Territory-owned Corporation
GHG	Greenhouse Gas	TRO	Territory Records Office
GL	Gigalitres	TWR	Temporary Water Restrictions
HSC	Health and Safety Committee	UQ	University of Queensland
HSMS	Health and Safety Management System	WSAA	Water Services Association of Australia
ICRC	Independent Competition and Regulatory Commission	WTP	Water Treatment Plant
ICT	Information and Communications Technology		
IHRA	Inherently High-Risk Activity		
IPP	Integrated Program Plan		

Principal Registered Office

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

Mitchell Office

12 Hoskins Street
Mitchell ACT 2911

Postal address

Icon Water
PO Box 50 Mitchell
ACT 2911

ACN: 069 381 960

ABN: 86 069 381 960

TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

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Information about Icon Water and an electronic version of this report can be found at iconwater.com.au.

